THE STATUS OF THE FOOD BROKER
IN THE FIELD OF FOOD DISTRIBUTION

By

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and

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Cambridge, Mass.
May 26, 1932.

Professor A. L. Merrill,
Secretary of the Faculty,
Massachusetts Institute of Technology,
Cambridge, Massachusetts.

Dear Sir:

In accordance with part of the requirements for graduation, we hereby submit a thesis entitled, "The Status of the Food Broker in the Field of Food Distribution."

We wish to express our appreciation to Professor Elder for his assistance and guidance in directing this investigation.

We are much indebted to the Packers, Buyers, and Brokers who assisted us in obtaining the information we needed. Their help was much appreciated.

Very truly yours,

T. P. Coffey

C. H. Taylor
OBJECT

The object of this investigation is to determine the status of the Food Broker in the field of food distribution.
METHOD OF INVESTIGATION

In order to get as broad a picture of the problem as possible so that a reasonably correct solution might be obtained, the following procedure was followed.

1. We read all the literature available on the subject.

2. Realizing that the broker deals fundamentally with the Packer and Buyer, made it necessary for us to determine their point of view. We therefore went out and interviewed a few of these gentlemen in each class. Finding these gentlemen extremely busy, we decided we could get better results by sending out a questionnaire.

3. Therefore, fifty questionnaires each were sent out to brokers, buyers and packers. The questions were based on data obtained from reading and interviewing.

4. Analysis of the questions with comments thereon
SCOPe

Questionnaires were sent out to the northeastern section of the United States i.e. as far west as the Mississippi, southward to and including Virginia and northward to and including Maine. Therefore, conclusions drawn are true only of this area but undoubtedly represent conditions in the whole United States.

Types of buyers among whom this investigation was carried out are:

- Large chain stores such as the A/P Co.
- Voluntary chain associations.
- Wholesale grocers.
- Bakers supply.
- Large speciality retailers as S.S. Pierce.
- Hotel supply.

Types of Packers are:

- Large nationally advertised producers.
- Large but not advertised producers.
- Small and unknown producers.

Brokerage firms questioned were picked out of the Thomas Grocery Register: some at random, and some at the suggestion of local brokerage firms. This same method was used in selecting the buyers and packers to be questioned.
FOREWORD.

It would be well at this point for us to define just what we mean when we speak of the Food Broker, to describe the various types of Food Brokers and to state to the best of our ability the problem which confronts the Food Broker today so that the reader will have a better idea of what the investigation deals with.

DEFINITION.

When speaking of the Food Broker we mean fundamentally a salesmen, who, if true to type handles no commodities at all himself but acts as an intermediary between buyer and seller, charging a fee for these services based on a percentage of sales price. His task is mainly that of bringing buyer and seller into contact.

TYPES.

There are various types of Food Brokers and we have confined our investigations to those who deal in canned foods and non-perishable goods of a similar type. Again there are a few divisions in this type, namely: The Ordinary Broker, the General Sales Agent, the Commission Merchant, and the merchandising Broker.

The ordinary broker is one who receives at the beginning of each year future prices from the packer's goods. He then in turn communicates with the wholesale grocer, representing to him the prices of goods
to be packed in the middle of the year or thereabouts. These prices however, are subject to change and after the broker finds a buyer the packer must sanction or confirm the sale before it is good. This type of broker never actually possesses the goods which are sent from the packer to the wholesaler direct.

The General Sales Agent or Field Broker as he is sometimes called, usually handles the packer's entire output or arranges for the marketing of it in certain sections. This type of broker usually has a contract or a definite arrangement to handle all or part of the packer's goods, whereas the ordinary broker, has none of these. This is where the essential difference lies. The general sales agent, usually makes use of other brokers or sub-brokers in completing sales. He pays these brokers from his own commission, the packer having nothing to do with them at all. On the whole, the general sales agent, is a quick and efficient means of selling goods although he does charge a higher rate than is usual, he saves the packer the expense of negotiating with a large number of ordinary brokers. He is usually very experienced and close to the market at all times, keeping the packer well informed as to market conditions. This type of broker
is very intimate with the packer and is sometimes practically a part of the packer's organization, although they act separately as ordinary brokers do. Sometimes in order to insure their jobs as agents, they advance money to the packer to help him along during sub normal times.

The Commission Merchant is for the most part somewhat like the general sales agent and ordinary broker combined. However, his functions are generally more extreme: He finances the packer, sells whole or part of the output and collects the packer's accounts in some instances. His commission usually runs as high as 5% where the ordinary broker usually gets 2 to 3%.

The Merchandising broker is one who buys and sells goods on his own account. Therefore he is not really performing the functions of a true broker, but is engaged in an illegitimate form of business. Some do this type of selling of necessity but others do it to realize a future profit. Some large houses do this on a small scale, supplying the small wholesaler who finds it impossible to get credit from the canner. This type of broker tries to anticipate the buyer's needs and must in order to make a go of it, keep in very close contact with the market. The rates here,
run as high as 5 - 7% as against the 2% rate of the ordinary broker. However, when the Food Administration in November 1917, required them to register as both jobber and broker, many large houses dropped this 'Merchandising' or buying and selling, rather than pay for licenses as jobbers. This is significant of the small amount of business in, and of the importance of 'Merchandising!'

In our investigation, we communicated with and interviewed ordinary brokers for the most part. However, we did include some field brokers or general selling agents and commission merchants. We did not bother with 'Merchandising' brokers for our interest lay in pure brokerage and not in such fields as 'Merchandising'. The reason for our communicating largely with ordinary brokers is due to the fact that this type of broker is the one who is most affected by the change in the buying and selling of the larger organizations and by the rapid growth of the chain stores, packers associations and buyers associations.

Before stating the problem which confronts the food broker today, a look into the marketing picture of the past would be advisable. Thirty to forty years ago when
such things as the telephonic and telegraphic communications were in their infancy, and national advertising was not known, the marketing problem confronting the manufacturer was a difficult one. Packers at that time were restricted by their seasonal operations to a limited sales force. There was no such thing as the market research of today to enable them to forecast their probable future sales and thus their future production in anticipation of the demand. Market statistics and investigation were practically unknown. Hard common sense was relied upon and in order to get a figure that was somewhere near correct for the sales and production end, it was necessary that someone who was an intimate contact with the market and who had a wide experience in market work, be employed by the packer. This man, known as the food broker, proved almost invaluable to the packer in this way. He brought the buyer to the seller, charging a fee which was based on the amount of sales he brought to the packer. He was in such intimate contact with the market that he could anticipate the future demand and supply to a fair degree of accuracy in the local market, largely through his wide experience in dealing with these changes. He did not rely on statistics about which
he knew next to nothing, but upon his intuition, which was an intrinsic part of his business if he was to be successful. His knowledge of where the cheapest goods and the best goods for the price were to be had was a great help to the buyer, and his ability to give a fairly accurate estimate of probable future sales allowed the canner to offer his goods on a real competitive basis with other packers or canners. Another service he gave the canners was that of new customers which fact allowed the canner to grow and extend his operations. With all these advantages it is easy to see how the food broker was a valuable asset to any canner, and with a large number of these brokers spread out in the various localities which the packer could economically reach a packer had at his fingertips, a fairly good picture of the market he was covering.

**PROBLEM**

However, with the fairly recent growth of big business in the food line, with the introduction of market research, and with the enormous stress that is being placed on efficiency in all businesses
it can be easily seen that the broker has developed a tendency to eliminate himself by his own efficiency. He does this by organizing the market which makes it possible for the buyer and packer to eventually slip past him. When the buyer can meet the packer on equal footing or on the same ground, the broker becomes a useless appendage in the eyes of the principals. A buyer, especially the chain store type, resents the fact that the packer credits the broker with 2% or more of the sales price of any sale and thinks that he should get this item credited to him in spite of Federal Trade Commission rules to the contrary: see appendix -Page 254.

Is it any wonder then that in these days of cutthroat competition, that the larger buyers are going direct to the packer and on top of this, demanding the usual broker's commission on such sales?

It is practices such as these that are making the broker sit up and take notice as his very existence will be threatened if such tactics become general.

It must be very hard for a packer to be approached by a big buyer, especially in these times, offering to take his entire pack provided he will dispense with his broker. It is only natural for the packer to accept such an offer to the consequential damage.
to the broker. Another year however and the large buyer may have forgotten the packer and then who is going to take on the task of selling the packer's output? A good broker will hesitate to do so; therefore the packer will also in an indirect way suffer for his direct selling.

The broker who works hard on an account which eventually becomes well known, may have it taken away from him at a moment's notice, due to the demands of a large direct buying concern in his own territory or the canner's introduction of his own sales force.

Furthermore, the growth of large voluntary Chain stores, is also having an adverse effect both on the wholesale grocer and the food broker. They are driving the wholesale grocer out of existence by depriving him of his market (i.e. the small independent retailer) and refusing to buy through the food broker or in other words, employing the same tactics of the large corporation owned chain stores.

Hitherto, it was believed that the chain store development would be confined to the large industrial areas, but the A + P., has recently demonstrated

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considerable success in rural communities. Local antagonism is neutralized by choosing local managers and the people as a whole have become chain store conscious. Hence, with the rural market dwindling by the replacement of the independent grocer, things do not look any too bright for the wholesaler and ultimately the broker.
PACKER'S ATTITUDE AND VIEWPOINT.
Question #1.

How does your company distribute its products?
(a) Through your own sales force?
(b) Through the Food Broker?
(c) By communication as mail, telephone-

The majority of the answers received to this question indicate that most canners do use the Food Broker to some extent in the distribution of their products. This is especially true of the small canners who answered the question for it is evident that they could not maintain their own sales-force throughout any large sized territory and then expect to compete with other canners. To them, the broker presents the cheapest method of distribution.

Some distribution, especially that which is nearby, is done by mail, telephone etc., with these small canners. The fairly large canners answered to the effect that they distribute in every manner suggested. They maintain a small salesforce, use the food broker and distribute by communication.

The inference that can be drawn here is that their own sales force and communication methods are used in districts near the cannery, and that the broker is used in distant territories where the
maintenance of a large sales force necessary to cover the market is too costly. The nationally advertised brands as Heinz's, Campbell's Soup, Richardson + Robins, etc., answered that they used their own sales force exclusively. Here again, there is evidence that as the canner gets more powerful and expands his plants and engages in year round production, he tends to do away with the broker entirely, relying on his own sales force to keep him in close contact with the market so that the broker must rely on the smaller and medium sized canners for his business.

Those whose production is seasonal, tend to use the broker, regardless of their size. Obviously, the use of their own sales force in this case would be impossible. Strange to say, some nationally advertised brands do distribute through the Food Broker but the amount so distributed is comparatively small.

The employment of the broker is resorted to in this case only in out of the way districts where the salesmen's volume would not be sufficient to warrant a call. Were the broker to rely on the commissions received from the very large canners, he would have
to seek other means of making a living.

Question #2.

To whom is your product primarily distributed.

(a) Wholesaler.
(b) Retailer
(c) Chain Store
(d) Direct to consumer.

Answers received here were to the effect that products are primarily distributed in practically every case to the wholesaler and chain store.

Insomuch as the majority of the answers to Question #1, indicated that distribution was carried out through the Food Broker, lining this up with the answers to the above Question #2, the indication is, that the Food Broker is selling the Chain Store, and indirectly, is helping his best customer, the wholesaler, out of the picture.

However, it was found out in the broker's questionnaire, Chain Stores do not buy through Food Brokers consistently but only at long intervals so that in most cases, a broker deals mainly with the wholesaler. The broker may sell the Chain store of necessity, for the chains buy in large lots and the commission received on such a sale is'nt to be passed up easily:
Even though the Chain Stores do force their packers to cut their prices to a large extent, the large amounts they buy, do bring enough profit to the packer to warrant his doing business with them, but the great draw-back for the small packer especially, is the fact, that the chain stores may buy 5 or 10 carloads at a time and not return to buy again for a long interval.

This means that the packer will have to rush to make up the order and may have to call on his neighboring packer to help him fill it.

The majority of the nationally advertised packers distribute to their own sales force, direct to the retailer and the chain stores. This is so perhaps, because they are engaged in continuous production and to keep their merchandise moving, must have a sales force under their immediate direction. Furthermore, as they do a large amount of advertising, it is necessary that they get their product into the hands of every buyer in a given market, area, regularly. The advertising which they do, enables the product to more or less sell itself and hence, requires a very small sales force and very few brokers.
A negligible number of answers, less than 10% were received where the packer claimed he distributed direct to the consumer. As these packers were not large ones, it is safe to conclude that such distribution takes place only in the territory near the plant.

This practice is not general in the canning business and therefore, must not be taken as representative.

Question #3.

Does your method of distribution keep you in constant touch with the market so that you have all the advantages of anticipated trends?

Over 85% of the answers to this question, stated that they did receive all the advantages of anticipated trends. This is, as was expected, for today most of the methods of distribution used, must do this or they would not have lasted in competition as long as they have. The ability of the broker to forecast fairly accurately, is an intrinsic part of his trade. The use of statistics and the like, greatly aid him in his work.

As was evidenced by some of the answers obtained, several brokers were not as good as others,
in this work. Some packers were very emphatic in stating that the broker did not give them reliable advice. This was especially true of one packer, who stated that the brokers even misquoted prices of competitors so that they could get a cheaper price from the canners for the product through this creation of a fictitious market. This canner stated that he was soon going to change over from the Food Broker to his own sales force. This is an exception- 
al case and is not representative of the broker's stand. Brokers who are members of the National Food Broker's Association, are pledged to avoid this.

Another packer stated that brokers furnished good advice only on the most profitable items which they pushed harder than the others. Those packers who use their own sales force, are all satisfied with the forecast obtained thereby.

The results of this question could be summarized by saying that there are good and bad brokers. The good being in the majority and a credit to their profession, while the bad ones are in a very small but active minority, doing immeasurable harm to the good broker's reputation.
Question #4.

If you use brokers and a buyer refuses to buy through your broker, and applies to you direct, will you do business with him? If so, will you then credit the broker with the sale?

Eighty percent of the answers obtained here were to the effect that they would do business direct if the buyer so wanted it. In periods of hand to mouth buying such as the present one, such a proportion of positive answers were to be expected. Who knows but the practise may become permanent?

No packer will willingly, because of a desire to be fair with the broker, turn away a buyer in such a case for he will be only to glad to liquidate his stock.

Looking at it from a non partisan point of view, it would be foolish to do otherwise. However, 20% stated that they would not do business with such a buyer. The majority of these packers have been doing business with the broker for about fifty years and probably acted in such a manner, out of their friendship for their broker or as a reward for his long service.

In quite a few cases, the packers stated they
would do business only if the circumstances so warranted it and then only, after an agreement with the broker. These particular packers also protected the broker's commission.

In regard to the second part of this question, we did not receive answers from all those who answered the first part. This is probably due to the fact, that the packers were undecided as to just what they would do in such a case or as one packer stated, 'that such a condition had not been met with by him in all his year's of packing:' Those who did answer, all with the exception of one man, stated they would give the broker credit for the sale. However, some of these, made the reservation that the broker be deserving and be paying the proper attention to their account.

The results of this question tend to show that the broker is still looked upon as a good means of distribution and not one that is soon to be done away with, for if he were not so looked upon, we would not have the protection given to the broker's commission that the questions indicated. However, the activities of buying associations in obtaining this commission for their members, is not to be
overlooked, although we received no evidence of such a situation in the answers to our questionnaire. The few interviews we did have with local brokers did bring this out to some extent however.

Question #5.

Do you permit your broker to represent other packers in the same line as yours?
Do you set definite territories for him?
Do you set quotas for him?

The answers to this question show that approximately 65% of the packers answering do not hold the broker to their product alone while 35% do. Those who do not restrict the broker to their product alone, are the small canners although some other large canners don't either. One of the large canners stated that the reason he does not hold the brokers to his line alone, is because he relies on the quality of his product to defeat competition.

Those who did hold the broker to their product alone, was a fairly large canner in every instance. They are able to do so for they can get brokers to take on their special line any time if the one they now use, refuses to handle it without handling competing lines. This is so, because they pay a
good commission equivalent to a good annual salary as the case of one canner who pays about $4000: a year in commissions to his exclusive broker. Thus it is easy to see why a broker of such a large canner is willing to comply with this request.

The small canners are in no position and don't offer enough business, to do the same although in the aggregate, they give the broker his biggest business and allow him in handling their competing lines to always have a store of desired goods on hand and to satisfy all types of customers.

In a case where one canner's stock is depleted, the broker can be sure of having a competing line for buyers thus having goods on hand at all times. The exclusive broker cannot do this and when his canner's stock is depleted, he is idle although some large canners, at this point, allow him to handle other lines for his own profit.

In regard to territories, some correlation between the answers received here and those received in the broker's questionnaire was obtained. See questions #2 and #3 - 'Broker's Viewpoint'.

About 80% of the packers approximately the
same as in the brokers questionnaire, do restrict the brokers to definite territories. Of course this may be only a coincidence but nevertheless, results are the same and the same conclusions may be reached as in the brokers questionnaire; that is for the most part, only the large unadvertised canners and the nationally advertised canners do so—although in some cases, the small and unknown canner has done so.

This restriction is no doubt due to the fact that the canner does not want his brokers competing with each other, thus involving extra expense and duplication of effort. Also, competing brokers even with the same line, might cut prices and thus injure the packer indirectly.

The small and unknown packer need not so restrict his broker because usually he is represented by a field broker who sells indefinite territories which he allots to his sub brokers. The small and unknown canner of himself, does not take in a wide enough range to bother about restrictions.

In regard to quotas, the same correlation was reached again with the brokers questionnaire in this regard. The result was that about 90% of the packers do not set quotas for their brokers, the
same argument applying as in the result of the broker's, answers to this question, in regard to the type of canner and the industry as a whole. The broker realizes that he must sell a fair proportion of the market in order to hold an account, especially if it is an attractive one, and the necessity of quota setting in this phase of the industry is therefore done away with.

Question #6.

If you do not use the merchandise broker now, have you ever done so? If so why did you dispense with his services?

From the answers obtained here it is evident that only those who do use the merchandise broker now, with the exception of the nationally advertised brands who answered, were interested enough in the question to answer it. The nationally advertised brands that answered, did so by letter, stating that they did not use him., and the probability is, they have not used him for a good many years to any extent.

Of the answers received here, of which there were only two, one was to the effect that the broker was a hold-up man and so he dispensed with him and the other stated that the broker did not keep
him in close enough contact with the market to warrant his being kept. These answers are not representative, for all the others who did answer, now use the food broker.

The answers obtained might be discounted, on the assumption that the brokers they concern were not representative of the class as a whole although they do reflect on the average broker.

Question #7.

If you do use the merchandise broker now, approximately, how long have you been using him? What is your main reason for using him?

Results of this question show that all those who answered with the exception of the nationally advertised brands, have been using the broker from twelve years up to fifty years. No answer was obtained in which the broker was used less than twelve years. This might tend to show that there are very few people entering the packing business in the past ten years.

Over two thirds of the answers received, stated they had been using the broker over twenty years and about one third, placed his length of service at fifty years. These figures show that the
packers who have been using the broker for this length of time, would not break off with him in a hurry for the habit of dealing with the broker is more or less ingrained in their system and will not easily be lost: accordingly, we believe it safe to conclude that those who are now using the Food Broker will do so for some time to come and the broker may be assured of the accounts he now holds if he carries on in the right manner.

Reasons given for using the broker, were many and varied. The outstanding one, was that of cheapness and economy. Frequent contact with the buyer, knowledge of the market and knowledge of buyers with good credit were next in importance. Other reasons, such as convenience, the fact that he was always used, ability to actually know your marketing costs and the like, were given with less frequency.

One firm stated that they looked upon their broker as a sort of a district manager; while another stated that the broker was a part owner in the firm. These latter reasons were singular and not at all representative reasons.
One of the best reasons for small canners using the broker, is the assurance of an adequate sales force at a reasonable rate in every market district of the country. These small canners cannot afford to use their own salesforce, due to the expense involved and the Food Broker who is an expense only on sales obtained, is more or less of a God-send to the small canner.

The large canners use the broker for his knowledge of the market as well as the great economy in saving effected by means of his acting as a sales force.

Question #8.

If you use the Merchandise broker, do you get a large number of repeat orders from him.

This question showed that in approximately 90% of the answers obtained, the fact that the food broker does give a large amount of repeat orders, was proven. Only 10% answered that they did not receive a large amount of repeat orders and practically all of these were packers who were dissatisfied with their broker and who made the most complaints against the broker.
We accordingly think it is reasonable to assume that the broker serving these men are of the poorer type and do not represent the average broker at all. It is also well at this point to state that several of those who are now receiving large numbers of repeat orders from the brokers stated that they noticed a falling off of repeat orders of late. One packer says that he is now receiving a small amount of repeat orders where he formerly received a large amount of repeat orders. However, as the great majority of cases show that this was not the general case, it is safe to assume that the broker will, in general, continue to bring large number of repeat orders to his packers, for as one packer stated the broker prides himself on satisfying buyers to such an extent that they return again to buy from him and therein lies one of his biggest profits.

Question #9.

In general what size order does the merchandise broker bring to you?
Large ---- Medium ---- Small----

This question did not bring about any remarkable results. There were a few packers who stated
specifically just what size order the broker did bring in general, and these were for the most part large orders and medium size orders with a few answering small orders. In the great majority of cases packers stated that all sizes of orders were brought in with no regularity as to any specific size. Comments were made that this fact was due to the period of depression we are now in, but these were few.

Accordingly the results of this question can be summed up in the statement that the food broker does not bring in any special size order, but brings to the packer all sizes from several carload lots down to five and ten case lots. The ability of a broker to draw small lots together to form carload lots leads us to believe that in general the broker gets from buyers medium to small lot sizes although this is not always the case.

Question #10.

What in your opinion are the advantages and disadvantages of the food brokers in distributing can food?
In drawing up this question, we suggested after the question, some of the known advantages and some of the disadvantages of the broker, in order to give the packers an idea of just what we wanted in answer to this question. Space was supplied for other advantages and disadvantages that might occur to the packer when he read our suggestions. The response here, was fairly good.

Almost all the packers conceded the advantages of the development of new prospects and market information. Extension of loans was checked by only two packers, showing that this function of the Food brokers business is not the general thing but the exception.

Perhaps it would be better at this point for us to list all the advantages and disadvantages checked by the packers or written by them. The following is a list of these:

**ADVANTAGES:**

- Development of new prospects.
- Market information.
- Less expensive than a sales force for small or average size packer.
- Checking claims: Swells etc.
Knowledge of best type of buyer.
Frequent personal contact with market.
Credit information.
Adjustment of differences of complaints.
Local prestige.

Of these advantages either suggested or check-
ed by the packers, 'Development of new prospects' and 'Market information' were outstanding. Next came 'the advantage of economy to the small and average size canner'. This fact, is one of the main reasons for the broker's existence today and on careful thought, it can be easily seen why this is so.

The broker is paid only on sales made, while the salesman is usually paid whether the sales are being made or not. Now, if a small packer has this sales force burden to carry at all times, both in and out of season, whether sales are made or not, his profit which is small without a sales force, would soon disappear and he would be forced out of business: This is where the Economy that the broker brings to the small canner, helps enormously.

The next most important advantage named by the
packers, is that of frequent personal contact with the buyer and market. This is a part of the brokerage business and is important to the packer, for obtaining market information and new prospects.

The other advantages listed were not named very frequently by the packer but nevertheless are a part of the every day work of the broker and on them rests the foundation of the whole brokerage business.

DISADVANTAGES:

Cuts prices to complete sale.

Market mis-information.

Necessity of prodding broker.

Necessity of sticking to established distributors.

Working one account against the other.

Lack of merchandising and responsibility for goods sold.

Represents too many similar lines.

Picks most profitable lines: neglecting others

Twenty-five percent of the packers questioned, complained of price cutting and this seems to be the chief disadvantage as far as small canners are concerned.
Small canners have not as much control over the brokers as the larger ones do and the brokers are not afraid of the result of price cutting as far as this type canner is concerned. This is not a very good practice and is not carried on to any great extent. Several packers claim that prices are cut only on authorization from them and it would seem that the good broker does not carry on this practice except by authorization.

Another disadvantage that was outstanding in our estimation although only about 15% of the packers mentioned it, was the lack of aggressiveness on the part of the broker, which makes it necessary for the packer to keep after and continually prod the brokers to get orders. This may be due to the fact that in the localities of the respective brokers, who represented the packers who complained of this, competition or discrimination on the part of buying associations may be great.

There is one result of this question that speaks well for the broker. This is the fact that although we listed, on our own initiative, as a suggested disadvantage the possibility that the broker was too expensive, not in any case was this checked as a dis-
advantage. In fact, several packers stated in their remarks that the broker was the cheapest and most economical way of distributing their product for it did away with the necessity of maintaining a sales force which if necessary to the business, would make it quite impossible for many canners to remain in business.

The canners making this remark, were in the main small ones, who depended mainly on the broker for the distribution of their products. This fact leads us to believe that the broker will always be able to earn a living from the small canners provided of course that a proper market outlet shall be maintained.
BUYER’S ATTITUDE AND VIEWPOINT
Note: Answers were received here for most part from those who do use the food broker to a greater or less extent. Those like the A + P., who are known to have a prejudice against the food broker did not deem it worth while to answer, evidently.

Question #1.

How do you buy your goods? (Please number according to volume, i.e. #1 is largest etc.)
(a) Through food broker
(b) Through canner's salesmen
(c) Direct through canner by mail, telephone etc.

Answers to this question ran somewhat as expected. We found that all wholesalers bought through the food broker, large chain stores bought direct, while voluntary chain stores bought through their syndicate which in turn bought direct. One of the voluntary chain associations informed us that due to the fact that packers and canners do not seem to get sufficient volume through brokers, they are soliciting business direct. Small Chain stores whose activities are purely local, do use the food broker to a large extent, but do some of their buying direct. The results of this question show a definite tendency on the part of chain stores in general to disregard a broker as a method of distribution while the existing wholesalers
and bakers supply still cling to the broker.

Question #2.

Do the quantities you buy influence you in any way, that is, do you buy:
(a) Large lots through broker or direct?
(b) Small lots through broker or direct?
(c) Job lots through broker or direct?

Here the tendency on the part of the wholesaler is to buy through the broker regardless of the size of the order although some wholesalers claim that it is cheaper to go direct on large lots. Small chains evidence the tendency to buy large lots direct and small and job lots through the broker. Several buyers show no prejudice in their buying, letting market conditions control. Indeed, some of the largest wholesale grocers in Boston will not do any of their buying other than through a food broker.

Question #3.

If you use the merchandise broker, how long have you been using him?
(a) What is your main reason for using him? convenient, market information, credit extentions, others?

Most of the buyers answering this question, claim that they have been doing business with the broker for over twenty years. This then may account for the pronounced preference for doing business through the broker that evidences itself. These buyers have
evidently got in the habit of doing business through the food brokers and they hate to change their method of buying.

The main reason for using him seems to be that he is convenient, on the job all the time; in other words, he is at the buyer's finger tips. Most of the buyers claim that brokers were of little if any aid in extension of credits. Some inferred that their main reason for using the broker was that it was the only way they could buy some products.

It would appear then, that the buyer does not like to wait for the canner's salesman to make his scheduled visit, nor does he wish to go to the expense of communicating with any one packer when the result of such an effort would show the packer to be out of stock of the article wanted. It seems to be easier to call up a broker and tell him your wants: if his packers have not the product in stock the broker will go out among the trade and get the buyer what he is looking for and do all this without any expense either in time or money to the buyer.

Question #4

If you do not use the Food Broker, have you ever used him?
(a) Why did you dispense with his services?

Evidently those who do not use the merchandise broker did not think it worth while to answer, although it may be inferred that no buyer has completely thrown a broker overboard and will still do business with him if it is to his advantage. All those who answered the questions use the broker to a greater or lesser degree.

Question #5.

If you buy direct, do you insist that the canner credit you with the broker's commission?

A vast majority of the answers to this question, indicated that the buyer did not demand the broker's commission. The Chain stores both voluntary and incorporate demanded the broker's commission whenever possible. Such a practice is in direct violation of the Federal Trade Commission Rules regarding the grocery trade. See Page 254

Quite a few did not answer this question which may or may not be attributed to fear of disclosing their participation in such a practice.
Question #6:

Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?

The answer to this question would indicate that whatever method of buying is employed by the buyers it keeps them in the closest contact with the market, therefore it cannot be claimed that the broker does not represent true market conditions, at least from the buyer's point of view. The packer however, tells a different story on this question: See Pages 26, 86, 87, 99, 100, 121

Many buyers claim that the brokers have saved them considerable money during the recent economic depression. Packers forced to liquidate their holdings by order of the banks, have done so through a broker. The broker naturally gives this information to his best customer and as a consequent, the buyer comes in for a considerable saving. Furthermore, the market is not unnecessarily depressed as the price of the forced sale does not become public and thereby make the liquidating price, the market price.

However, it seems that many of those who do buy through the Food Broker alone, do not rely on
him exclusively for their market information as many sources other than the broker are open to the buyer, such as canner's circulars, Commerce reports, Trade Journals, Newspaper articles and the like.

Question #7.

(a) What in your opinion are the advantages of using the Food Broker?
(b) Disadvantages.

After a study of the answers to this question, we have come to the conclusion that the advantages far out weigh the disadvantages. It is interesting to note the chain stores attitude in this connection. One of the large local Chains, makes this striking statement. "The main disadvantage, is the necessity of paying the broker's commission which is a vital factor in a business that nets less than 2%." It should be remembered here however, that it is the packer who pays the commission and not the buyer.

Many of the large Wholesale houses, feel the same way about commissions paid to the broker. This seems to be about the only real disadvantage in the use of Food Brokers from the buyer's point of view.

In regard to the advantages, a book might be written
about them alone. Even the Chains see some advantages in the use of the broker. Among some of the outstanding claims made are:

(1) The Personal Contact that the broker brings as a result of his acquaintance with both the packer and the buyer. The buyer gets to know the broker after seeing him day in and day out and he finds out that he can rely on what the broker tells him. In fact, he would rather rely on the broker's opinion as to the condition, quality and value of goods than on the packer. He knows that the broker will want to sell him again, if not in the same line, then in some other and therefore the broker will not misrepresent the goods that he is selling.

(2) The broker can enable a buyer to purchase in less-than-carload lots, thus giving the buyer the advantages of prices based on carload lots and a great saving in freight rates. The broker does this by making up pool cars; that is, the broker goes out among the trade in his locality and sells 50 cases to one buyer and 50 or less to another, until he has made up a carload lot. The small buyer or even
the larger one, finds in the broker, a solution to his problem in this respect especially in these days of hand to mouth buying.

(3) If upon delivery, the goods from the buyer's view, are not up to the quality he bought, he has in the broker, a representative of the packer on the spot, to whom he can complain and get action. To settle such disputes by mail, are more often impossible than possible.

(4) Furthermore, the broker can introduce new products to the trade that would otherwise receive scant attention. The buyer reasons that if the broker is willing to risk his reputation on the product, then there must be some intrinsic value attached to it. A good broker, does not take on every account that is offered him without carefully investigating the packer's reputation both from a financial and quality standard.

We would recommend that the reader, read the various buyer's comments in the appendix as each buyer has presented them. The reader will then perceive that the majority of the buyer's comments are in substantial agreement.
As regards the future of the brokerage business from the buyer's viewpoint, there is evidence that the brokerage business has received in some quarters, a black eye, so to speak. The irresponsibility of a considerable number of so-called brokers, and the violation of confidences, has not helped the honest members of the profession any; The recent economic catastrophe has done much to eliminate this undesirable member of the profession. Buyers claim that quality packers have quality brokers and good brokers represent quality packers.

Many of the large wholesalers in Boston and vicinity have given us the impression that they will continue to do business through the Food Broker as they find it the most economical way to buy.
BROKER'S ATTITUDE AND VIEWPOINT:
Question #1

What type canner works through you?
(a) Nationally advertised
(b) Large canners but not advertised
(c) Small and unknown canners
Through whom is the greatest volume done, a, b, c

In answer to this question, brokers for the most part, seem to represent all kinds of canners. This is especially true of the large brokerage houses who in order to serve their buyers, must have available at all times, the type of product the buyer wants and when he wants it. By representing the various types of canners, he can satisfy the various types of buyers, for some buyers may have use for only the better goods while others can use both the better and poorer goods according to just what type of customer buys from them.

However, there are some brokers who represent only one type of canner. We find that in the outlying market districts, where the market is small, brokers represent the large nationally advertised canners to a greater extent than the large city brokers do, whereas in the city and large market districts, brokers represent for the most part what we call the large but advertised canners. We think that this is due to the fact that the nationally
advertised canners have their own salesmen work the large market districts and let the brokers handle the small volume stuff in the rural sections.

The greater part of the business in brokering seems to be done through the large but unadvertised canners with about 50% of the brokers checking this. Approximately, 25% of the answers received, were in favor of the nationally advertised canner, while the other 25% favored the small and unknown canner in regard to volume. Various reasons were given by some of the brokers for the large volume being done through any one type. One broker stated that his greatest volume was done through the small and unknown canner as this canner placed no restriction on him as to territory and product, while another said, that the greatest part of the canning industry is small and unknown and therefore, his business was done largely for this type canner. Another claimed that as the nationally advertised canners have their own salesmen, he must of necessity, do his business through the other two types.

The brokers who replied in favor of the nationally advertised brands and the large unadvertised canners were restricted to the one product and a de-
finite territory generally, although some of the above, did their largest volume through these
type due to the type of consumer ultimately served in their territories. This factor might also affect the size of the volume of the small and unknown canner and should not be overlooked.

Territories which are populated to a large degree with people who do not discriminate in the brands of goods which they buy, will usually purchase most of their needs of the small and unknown canner's products or of the large unadvertised products, while conversely, territories which for the most part are populated with a class of people who will and do express preference for a standard and nationally advertised product will cause the broker in that district to do most of his business with that type of canner.

There are no doubt, other reasons for these differences in volume as availability of products and the like which are not discernable on the surface but as we are not concerned so much by this aspect, we cannot justly express them as a result of this question.

Question #2.

Do you represent one canner alone, or several? (a) If several are they competitive?
 Practically all the answers received here, stated that several canners were represented. Two stated that they represented only one canner and they did this as long as the canner kept up his output and business dealings with them. They also stated that when his output fell off, they then took on other canners in order to stay in business themselves. Several reasons were given for representing several canners. The majority of the reasons were to the effect that several were represented because, if one canner's output or production fell off, so that the demand could not be met, the fact that other canners were represented, allowed the broker to fill his buyer's order without any delay which might cause said buyer to transfer his business to another broker in order to obtain the goods.

However, in regard to competition, not all the lines handled, were competitive. Approximately, 67% of the brokers answered that they served competitive canners while 33% answered they served non competitive canners. Of the 67% who answered that they did serve competitive canners, several made the qualification that some lines handled for certain canners especially nationally advertised brands, were handled non com-
petitively so that there is evidence that some brokers make agreements with packers not to handle competing products in some lines while other lines that they carry have no such agreements attached to them.

Reasons for handling competitive lines were the assurance of a constant supply for the buyer in any special line and the ability to satisfy the various types of buyers in the district served.

Question #3.

Does the packer set quotas for you? If so, is there any incentive to reach the quota other than commission?

Answers received here were to the effect that in the majority of cases, no quotas are set. Here approximately 80% of the brokers answered in this way, while 20% answered that quotas were set by the packers.

The brokers who had quotas set for them represented and did their largest volume of business with nationally advertised canners.

Of course it is plainly seen that in order for a broker to hold his business with such canners, he would be expected to sell a certain quantity of goods each year, for this type of canner, usually employs his own sales force besides the broker and sets
quotas of necessity in order to get an estimate of his output for the coming year so that his overhead will be decreased and expenses due to idleness will reach a minimum. This type of canner is also in a position to dictate to the broker for, due to the extensive and fairly profitable consumer market he has built up, it is easy for him to get brokers who will be willing to take on his line and agree to reach any reasonable quota set.

The large and unadvertised canner, and the small and unknown canner especially, are in no such position to dictate to the broker the amount of goods he is to sell for the coming year and they must rely on the broker's ability to reach the market and on his estimates as to what proportion of the market he can sell for the period of time in question. These types of canners have not the great overhead that the nationally advertised brands have and their production is more pliable and has a quicker response to demand than the nationally advertised brands. This is true especially of the small and unknown canner who can shut down if necessary with comparatively little loss and who is only too glad to accept any size order at all in order to keep his business
going. Numerous factors effect this question, such as the size of the plant, the size of the working force, the products packed etc., which are too lengthy and which involve too much detail to be treated as a part of the subject undertaken here.

In regard to the question involved, it is evident from the nature of the business itself, that the broker realizes that he must sell a fair proportion of the market in order to hold the canner's account, or else the canner might transfer this account to another broker. This is particularly true of an attractive account, such as a large and unadvertised canner or a nationally advertised canner might hold forth.

Question #4.

Does the packer restrict you to definite territories? To his product alone?

Answers to this question indicate that in the majority of cases the packer does restrict the broker to definite territories. Approximately 85% of the answers received were to this effect, while the remaining 15% stated that no definite territories were allotted by the canner. The packers that did not set definite territories were the small and unknown
ones. This is to be expected for as explained before, due to the size of their plant and such, they generally are in no position to restrict the broker to any definite territory and apparently would not want to if they could.

The majority of packers restrict the brokers to definite territories because they do not want their individual brokers to be competing with one another on the same brand of goods. This would involve much extra expense and duplication of effort and might also lead to price cutting which would be injurious to the packer.

The small and unknown packer has no worries on this account for he is usually represented by one big broker, known as a field broker who has agents or sub brokers spread out in the various market districts of the country. However, this is not always true and in some cases we have found that the small and little known canner, does restrict his brokers to definite territories.

In regard to restriction of one product alone, 50% of the answers stated that the packer did restrict them to his product alone while the other 50%
not stated that the packer did restrict them to his product. Here there seems to be no definite rule in regard to whether the packer did or did not restrict the broker to his own product alone.

However, the tendency on the part of the large advertised brands, is to restrict the broker to their product alone while the small and unknown canners do not. All the brokers who handle nationally advertised brands were not restricted as to products however. The large canners follow no definite rule, some restricting when others do not. The practice of restriction seems to vary in the different sections, being more noticeable in New England than elsewhere.

To us, it seems logical that the packer should not restrict the broker to his product alone for this would mean that the broker would not be a broker in the true sense of the word, but more of a salesman for one packer; Also, when the packer's line was sold out for the season it would mean that the broker would be idle from then on and would not be earning the salary he is entitled to: However, if the packer has an account which is paying his broker a good
commission equivalent to a fair annual salary, then he has every right if he so wishes to restrict the broker to his product alone so that he may be sure that his account is obtaining all the attention possible in regard to market information and new customers.

Question #5.

With whom do you do most of your business?
(a) Large Chains
(b) Wholesale grocers
(c) Bakers Supply
(d) Retailers
(e) Hotel Supplies

From the answers obtained to this question, it is evident that the most of the Food Broker's business is still done through the wholesale grocer with the Chain Stores running a close second.

One large field broker claimed that while the individual purchases of the Chain Stores are much larger than the individual purchases of the wholesale grocers, their buying is not of a steady nature. That is, they might might five cars of peas from you one day but you might wait six months to a year before you would get another order from them.

On the other hand, the wholesale grocer is apt
to give you an order every week or at least at more regular intervals than the Chain buyer does.

The Wholesaler has not the capital to buy in such large lots as the Chain store does but in the long run a larger volume of sales is obtained from him.

Brokers claim that one of their members who sells retailers and Hotel Suppliers is not looked upon with favor by the wholesale grocers and we have found that the wholesalers will sometimes refuse to do business with a broker who has acted thus in the past. The reason for this, lies in the fact, that the wholesale grocer looks upon retailers, Bakers Supply and Hotel Supply firms as their particular customers.

Brokers further claim that for some special lines, the chain stores are very good customers but for general lines, the wholesale grocer furnishes more business. We know of brokers who used to sell the chains to a considerable extent but with the growing power of the Chains, they have not done much of any business with them at all; paradoxically, some brokers claim that they do most of their
business with Chains. We are of the opinion that this is due to the particular geographical location of their activities.

Question #6.

What services do you furnish the buyer?
What services do you furnish the packer?

The brokers make many claims as to the services they render both the buyer and the packer and we find that their claims are substantially true. We did this by checking their claims against the packer and buyer's ideas as to services rendered.

Probably a better picture of the services furnished by the broker may be obtained by listing them: this list is not in the order of importance.

Services Furnished Buyers.

(1) Adjustment of difficulties arising out of damaged goods or goods not equal to sample.

(2) Market Posting - The broker calling on the number of buyers as he does and representing several canners is in a pretty good position to give a buyer the trend of the market. These postings are furnished almost daily in some cases. Crop conditions are
also brought to the attention of the buyer, thereby enabling him to plan his purchases.

(3) The Assembling of Pool Cars.-This enables the buyer to get lower freight rates for less than carload lots and also get carload lot prices which is especially advantageous to the small buyers.

(4) The suggestion of items that his experience tells him are good trades- Many times a broker is a better judge of individual items, specializing as he does in about half a dozen items, whereas the buyer divides his judgement between several thousand items. Therefore, in this respect, the broker acts really as a purchaser of goods for the buyer and in fact, one broker actually makes the claim that he buys the goods for the buyer.

(5) Stands the expense of telephoning and telegraphing and the clerical work involved in getting any type of goods the buyer might want. (Frequently after going to such an extent to get the sale, the packer won't sell at the buyer's price and the sale falls through and the effort and expense of the broker go for nothing.)

For further claims of the broker as to buyer
service we would suggest pages in the appendix. Types of market posting done by the brokers with sales information furnished may also be found in the appendix.

**Services Furnished Packer**

(1) The broker would introduce the packers product to the trade. This is an especially valuable service when one stops to consider that frequently the buyer is not known or acquainted with the seller in any particular market. The broker assures the buyer of the packers good standing and reliability, a very valuable service for a packer breaking into a new market. This missionary service is rendered without cost to the packer.

(2) The collection of overdue accounts. This is frequently a very valuable service, the broker is on the spot all the time and a personal request for funds is much more effective than a request by mail.

(3) Several brokers made the claim that they furnished sales to the packer at a cost lower than the packer could travel his personal representative
let alone paying his compensation.

(4) All brokers (good ones) guarantee the solvency of the buyer and some go so far as to invoice the goods for the packer, one broker claiming that he pays the packer in ten days whether he gets paid or not.

(5) Packers are kept up to the minute on the latest developments in the food industry, for broker report to their packer the various activities of their competitors.

(6) Another service of a considerable value is the taking of future orders. With these future orders at hand the packer knows just how much he needs plant and pack. His production program is certain as the goods are early sold before they are produced.

(7) The broker, may if he has sufficient capital advance money to the packer in hard times. This is more generally true of a field broker than of the small broker.

Of course the large chains and buyers associations have little need of the service furnished the buyer as they have an organization that takes
care of all these functions, but the smaller or medium size buyer could not afford to maintain an organization capable of giving them the services that the broker does.

Neither does the large nationally advertised packer need the above services as he is sufficient unto himself, but we venture to say that he never got to occupy the position that he now holds but by the aid of the food broker when he first started in business. It would therefore appear that the large packer who has not yet reached the pinnacle of a nationally advertised brand and the small packer with little capital who is just starting out in business to find a helping hand along the pathway to success by the aid of good food brokers.

Question #7.

How has the decline in the number of wholesale grocers affected your business?
Increased---- Decreased---- Unchanged

The answer to this question was not as discouraging as expected. Those reporting over, 60% claimed that the decline in wholesale grocers had decreased their business. From reports we had had of the conditions in the business, we expected that the
brokers would report 100% that their business had been decreased. Over 30% claimed that their business remained unchanged: this would lead us to believe that although the wholesale grocers had diminished, the broker still managed to get some business from the Chains, thereby offsetting any loss that might arise.

One broker made the outstanding statement, that his business had increased as a result of the decline of the wholesale grocer. This particular broker is located in New York City and claims there has been very little decrease in the number of wholesale grocers. Still another broker took the wholesale grocer to task for not keeping up with the times claiming that the wholesaler thinks he can put anything under his unadvertised label and the public will buy it.

Furthermore, the wholesaler wants a 15% profit on advertised articles, whereas the chains and their kind, are willing to do with considerably less. This is probably one of the numerous reasons for the decline of the wholesaler.

The data makes it apparent that the broker
feels the loss of the wholesale grocer very keenly. Those reporting an unchanged volume of business are fairly large brokers with a very high financial rating. They also maintain more than one office in their territory. Those who seem to be the hardest hit, are the small fellows: the geographical location is apparently a function of the amount of business done as brokers in New York and Virginia claim very little decrease in business as a result of the demise of the wholesaler.

On the whole, however, the brokerage business has suffered considerably by the removal of the wholesaler.

Question #8.

How have the activities of co-operative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?

Increased---- Decreased---- Unchanged----

The answer to this question was quite the reverse of question #7. Over 50% of those answering claimed that their business had remained unchanged while only 34% claimed a decrease in the volume of business. A higher percentage 13%,
compared with #7 claim an increase in business. Evidently, the co-operative buyers' associations are not as hard on the broker as the larger Chain Stores. A lot of the selling that used to be done through the wholesaler, is now done through his buying organization.

Some brokers claim that they are not as yet troubled to any extent by buyer's associations in their territory. Those brokers around New England however are feeling the association's presence keenly:

We are of the opinion that the reasons for the high number claiming an unchanged volume of business is due to the fact that the buyers and packers associations are of comparatively recent origin and have therefore not gotten under way in their activities as far as they might.

In the investigation as a whole, we find that the packers association has not been very active as far as working any hardship on the broker.

Voluntary chains are out to buy as cheap as the big chains and are therefore buying direct and demanding broker's commission on top of the usual
trade discounts.

Question #9.

Do you find that there is any unjust discrimination against you?
(a) On part of packer.
(b) On part of buyers associations.

Very few brokers claim that the packers have discriminated against them unjustly. Those claiming discrimination, did not give us much of an inkling of what it was. One field broker claims that sometimes a packer whom he has agreed to represent all over the United States will be approached by a large buyer desiring to buy direct and this packer will slip out of the field broker's organization and split brokerage with the buyer.

If the reader will refer to the packer's viewpoint on the broker, the favorable opinion in which the packer holds the broker, will evidence itself.

In regard to part (b) of this question, there is an altogether different story however. Over 60% of the brokers claimed that some sort of discrimination was shown. The large chain buyers, and the buyers co-operative societies are doing all they can to eliminate the broker. The chief com-
plaint seems to be that the buyers demand the brokers' commission when buying direct, when as a matter of fact he is not entitled to it because he does not earn it. The packer is forced to give it to him if he wants to make a sale.

The claim is also made and we have found it true, that many wholesalers are joining buyers organizations who have headquarters in different cities. The buyers in this organization, go out to the packers and buy direct from them in large amounts, demanding the brokers commission together with other trade discounts. They then split this brokerage, giving half to the wholesaler for whom they bought the goods and keeping the other half for themselves.

Brokers also claim that chains will not buy from a packer who insists on selling through his broker. The chains go so far as to set up their own packing plants and thereby become self sufficient.

Some brokers are very optimistic and claim that the broker will eventually come back into
his own, saying that there is a greater need
today than ever before for good Food Brokers.
Others claim that the Chains and buying associations
will force the broker out of existence, just as
they have forced the jobber.

The general attitude expressed by the results
of the questionnaire seems to be that the Food
Broker is finding the field of his endeavors be-
coming more and more limited every day.
CONCLUSIONS:

The Food Broker has a place in the field of Food distribution. However, he does not occupy such an important position as was formerly the case. This is due to the direct buying on the part of chain stores and buyers associations.

The National Food Brokers Association, commenting on the decline in the number of brokers since 1924 remarks, that while the decline was fairly large, it was at the sametime, very healthy, as the total number engaged in this business has remained fairly constant during the last two years.

It appears to us that there ought to be some qualification necessary before a man is allowed to set himself up in the brokerage business. Frequently those connected with the food business in one way or another become dissatisfied with their position and take upon themselves, the responsibility of a Food Broker as the easiest way out of their difficulty.

Buyers who carry on a Nation wide business have for little need of a food broker, with buying offices in almost every large State, they are never far away from any packer and therefore do not need and will
not use a middleman. It is hard to see how a buyer who is not conducting a Nation wide business can get along without the broker. The buyers do not know distant packers and the packers do not know the buyers. Some one must bring them together and the Food Broker is the logical intermediary.

Local buyers have not the capital nor the organizations capable of searching out the source of supply. A large number of brokers in a given market area have such information at hand and are ready to give it to the buyer. Of course, as buyers grow, and become better known, they will be able to do considerable buying without the aid of the broker.

As long as small business firms both in the buying and packing line are allowed to flourish there will always be need of the Food Broker. It is true that as business expands and consolidations take place, the number of Food Brokers will decrease but there will always be need of a few live wires and up to the minute Food Brokers.
April 18, 1932.

Dear Sir:

As a part of the requirements for graduation in the Department of Business and Engineering Administration at the Massachusetts Institute of Technology, we are conducting a survey of the status, present and future, of the Food Broker:

Your name has been given to us as being well informed on this subject. We would greatly appreciate your willingness to take a few moments to answer the questions on the enclosed sheet.

Any further comments you may care to make, would be most welcome. All replies will be held in strict confidence.

With thanks for your assistance,

Yours sincerely,
APPENDIX A.

PACKER'S QUESTIONNAIRES.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? No
   (b) Through the Food Broker? Yes
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? Yes, who are direct buyers
   (b) Retailer?
   (c) Chain Store? Yes, who are direct buyers
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? No
   If so, will you then credit the broker with the sale? In such a case, yes

5. Do you permit your broker to represent other packers with the same line as yours? No
   Do you set definite territories for him? Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 12 years. What is your main reason for using him? ____________________________

Our broker is really a district manager and so considered by us

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? ____________________________ Yes

9. In general, what size order does the Merchandise broker bring to you? Large __ Medium __ Small __ All there are. Size depends on market and customer. He covers whole trade

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages (Check) Disadvantages

Extension of loans. Expensive
Development of new prospects __ Cut prices to complete sale
Market Information __
Others Helpsmerchandising ______________________

Remarks:

The great difficulty with brokers is that many of them are not merchandisers in the sense that they feel responsibility for the sale of the goods to the consumer. In this respect, however, I think there has been a great improvement in the last few years, but a successful broker today must be a merchandiser.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? 
   Do you set definite territories for him? 
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 50 years. What is your main reason for using him? 

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? __________

9. In general, what size order does the Merchandise broker bring to you? Large ______ Medium ______ Small ______

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check)  Disadvantaged

   Extension of loans. Expensive
   Development of new prospects Cut prices to complete sales
   Market Information Others __________
   Others __________

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc? 

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? Direct not through broker. 
   (d) Direct to consumer? 

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Yes. 

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Yes.
   If so, will you then credit the broker with the sale?
   Yes.

5. Do you permit your broker to represent other packers with the same line as yours?
   Yes.
   Do you set definite territories for him? Yes.
   Do you set quotas for him? No.

6. If you do not use the Merchandise Broker now, have you ever done so?
   If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 25 years. What is your main reason for using him? Least expensive method

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ✔ Medium ✔ Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

(Check)

Extension of loans.
Development of new prospects ✔
Market Information ✔
Others _______________________

Disadvantages

Expensive
Cut prices to complete sale
Others _______________________

Remarks:
7. If you do use the merchandise broker now, approximately how long have you been using him? 30 years. What is your main reason for using him? Sales economy.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ✓ Medium ✓ Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

(Check)

Extension of loans.
Development of new prospects ✓
Market Information ✓
Others Economy

Disadvantages

Expensive
Cut prices to complete sale
Others

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ✓
   (b) Through the Food Broker? ✓
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? ✓
   (b) Retailer?
   (c) Chain Store?
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? ✓

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   No

   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? No
   Do you set definite territories for him? Yes
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ________________
   (b) Through the Food Broker? ______
   (c) By communication as mail, telephone etc? ______
       Personal call

2. To whom is your product primarily distributed?
   (a) Wholesaler? ________________
   (b) Retailer? ________________
   (c) Chain Store? ________________
   (d) Direct to consumer? ________________

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? ______

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? ______
   If so, will you then credit the broker with the sale? ______

5. Do you permit your broker to represent other packers with the same line as yours? ______
   Do you set definite territories for him? ______
   Do you set quotas for him? ______

6. If you do not use the Merchandise Broker now, have you ever done so? ________________
   If so, why did you dispense with his services? ________________
7. If you do use the merchandise broker now, approximately how long have you been using him? 20 years. What is your main reason for using him? ☑-cheaper

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? ☑-Yes

9. In general, what size order does the Merchandise broker bring to you? ☑-Large ☑-Medium ☑-Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension of loans.</td>
<td>Expensive</td>
</tr>
<tr>
<td>Development of new prospects ☑</td>
<td>Cut prices to complete sal:</td>
</tr>
<tr>
<td>Market Information ☑</td>
<td>Others</td>
</tr>
<tr>
<td>Others ☑-Cheaper</td>
<td></td>
</tr>
</tbody>
</table>

Remarks:

Home Canning Co

Blissfield Mich
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc? 

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer? 

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? 
   If so, will you then credit the broker with the sale? 

5. Do you permit your broker to represent other packers with the same line as yours? 
   Do you set definite territories for him? 
   Do you set quotas for him? 

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 2 1/2 years. What is your main reason for using him? 

- Convenient  
- Cost of Sales  
- Commission basis

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him?  

- Yes

9. In general, what size order does the Merchandise broker bring to you?  

- Large  
- Medium  
- Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

**Advantages**
- Local prestige (Check)
- Extension of loans.
- Development of new prospects
- Market Information
- Others

**Disadvantages**
- Not very aggressive
- Expensive
- Cut prices to complete sale
- Others

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ✔
   (b) Through the Food Broker? ✔
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? ✔
   (b) Retailer? 
   (c) Chain Store? ✔
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? ❌

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? ❌ only under special arrangement.
   If so, will you then credit the broker with the sale?
   Yes

5. Do you permit your broker to represent other packers with the same line as yours?
   Yes
   Do you set definite territories for him?
   Yes
   Do you set quotas for him? ❌

6. If you do not use the Merchandise Broker now, have you ever done so? ✔ If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 15 years. What is your main reason for using him? Cheapest method of sales for our particular needs.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? No

9. In general, what size order does the Merchandise broker bring to you? Large 5,000 ca, Medium Carload, Small 1,000 ca.

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

Disadvantages

- Extension of loans
- Development of new prospects
- Market Information
- Others

Other: Good Broker will make frequent contact which is impossible otherwise

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? X

   (b) Through the Food Broker? X

   (c) By communication as mail, telephone etc? X

2. To whom is your product primarily distributed?
   (a) Wholesaler? 65 %

   (b) Retailer? 10 %

   (c) Chain Store? 22 %

   (d) Direct to consumer? 3 %

3. Does your method of distribution keep you in constant touch with
   the market, so that you have all advantages of anticipated trends?
   Yes fairly well so althou all of our Brokers do not keep us
   as well posted as some of them do.

4. If you use brokers and a buyer refuses to buy through your
   broker and applies to you direct will you do business with him?
   Yes providing that I can protect the Broker at the same time.
   If so, will you then credit the broker with the sale?
   Yes

5. Do you permit your broker to represent other packers with the
   host all brokers represent more than one Canner
   same line as yours? but we have one who represents us exclusively
   and we pay him about 4000.00 a year in commissions.
   Do you set definite territories for him? Yes
   No we give him our complete list after
   Do you set quotas for him? packing and if he sells more than we
   have we are right here on the Ground and we buy it from others
   6. If you do not use the Merchandise Broker now, have you ever done
   so? Yes
   If so, why did you dispense with
   his services? We find that he is a Dam Hold Up and charges the
   buyer to much for his services.
7. If you do use the merchandise broker now, approximately how long have you been using him? ___ years. What is your main reason for using him?_We do not use him now._

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? ___ No.

9. In general, what size order does the Merchandise broker bring to you? ___ Large ___ Medium ___ All three ___ Small ___

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages 
   (Check) 
   Disadvantaged 
   
   Extension of loans. ___
   Development of new prospects ___
   Market Information ___
   Others ___
   Expensive ___
   Cut prices to complete sale ___
   Others ___

Remarks: We feel that all canned Foods should be sold through Good Brokers, however you have these shisters in every line of business that are always working for the buyer and not for the man that is paying them to do the work.
April 21, 1932

Messrs. Coffey & Taylor
Room 1-181
Mass Institute of Technology
Cambridge, Massachusetts

Gentlemen:

Rephlying to your letter of April 18th, we advise that we do not do business through Brokers. For many years we have been calling on the retail trade direct.

We regret that we cannot give you any information on this subject.

Yours very truly,

H. J. HEINZ COMPANY

By

JEW: MMN
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc? 

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer? 

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? 
   Yes 

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? 
   Yes 
   If so, will you then credit the broker with the sale? 
   Yes 

5. Do you permit your broker to represent other packers with the same line as yours?  
   Yes 
   Do you set definite territories for him? 
   Yes 
   Do you set quotas for him? 
   No 

6. If you do not use the Merchandise Broker now, have you ever done so? 
   If so, why did you dispense with his services? 

7. If you do use the merchandise broker now, approximately how long have you been using him? ___ years. What is your main reason for using him? Less expense, more business.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ______, Medium ______, Small ______

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages (Check) Disadvantages

Extension of loans. Expensive
Development of new prospects Cut prices to complete sale
Market Information Others
Others

Remarks: The J. Weller Company
Oak Harbor, Ohio
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? Not entirely.

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? Yes - but a Commission is deducted for the broker.
   If so, will you then credit the broker with the sale? Yes.

5. Do you permit your broker to represent other packers with the same line as yours? No.
   Do you set definite territories for him? Yes.
   Do you set quotas for him? No.

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 30 years. What is your main reason for using him? Economical Distribution

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ______ Medium ______ Small ______

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages (Check) Disadvantages

- Extension of loans.
- Development of new prospects
- Market Information
- Others
- Economy

Expensive
Cut prices to complete sale
Others

Remarks:

The outstanding advantages of selling through brokers are:

1. Cheaper than a sales force for the average sized packer.
2. Having a representative on the spot in case of a dissatisfied customer.

The chief disadvantage is that many brokers are inclined to push two or three of their lines which are most profitable and easy to sell, to the neglect of the remainder of their accounts.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force?  
      (b) Through the Food Broker?
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler?  
      (b) Retailer?  
      (c) Chain Store?  
      (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?

   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours?

   Do you set definite territories for him?  
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so?  

   If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 10 years. What is your main reason for using him? Feel he can handle sales
Advantages he handles all billing, bookkeeping

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? 

9. In general, what size order does the Merchandise broker bring to you? Large ☑ Medium ☑ Small 

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**

   (Check) 

   Extension of loans. ☑

   Development of new prospects ☑

   Market Information ☑

   Others __________________________

   __________________________

   **Disadvantages**

   Expensive

   Cut prices to complete sale

   Others __________________________

   __________________________

   Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ✓
   (b) Through the Food Broker? ✓
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? ✓
   (b) Retailer?
   (c) Chain Store? ✓
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Yes
   If so, will you then credit the broker with the sale?
   Yes

5. Do you permit your broker to represent other packers with the same line as yours? Yes
   Do you set definite territories for him? Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? **40 years.** What is your main reason for using him? **His close touch with buyers in his territory.**

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? **Yes**

9. In general, what size order does the Merchandise broker bring to you? **Large**

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**
   - Extension of loans.
   - Development of new prospects
   - Market Information
   - Their personal relationships in developing and keeping accounts.

   **Disadvantages**
   - Expensive
   - High prices to complete sale
   - Others
   - Represent too many

   **Remarks:**
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   No.
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? 
   Cannot control this
   Do you set definite territories for him? 
   Do you set quotas for him? 

6. If you do not use the Merchandise Broker now, have you ever done so? 
   If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? [7] years. What is your main reason for using him? [Cost of our selling force too great - Broke with varied lines is able to do business at lower cost.]

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? [No.]

9. In general, what size order does the Merchandise broker bring to you? [Large] [Medium] [Small]

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**
   - Extension of loans.
   - Development of new prospects
   - Market Information
   - Others

   **Disadvantages**
   - Expensive
   - Cut prices to complete sale
   - Others

Remarks:

The only reason we can see that the canners use food brokers is because they can work on a lower percentage of sales cost on account of their varied lines. Then too, the majority of canners are too small to maintain their own sales force for only one item. The broker in our estimation is responsible for quite a lot of unnecessary price cutting and tries to persuade his principles to meet a fictitious market that really is made up of nothing but offers from buyers and not clean cut competition from other manufacturers. They continually prey upon distressed lots of goods in the hands of underfinanced operators and try to make the forced sale price set the basis of a general market condition. This feature was particularly evident in the past season 1931-1932 when the average market was gauged by the prices of forced sales and not according to statistics of supply and demand. A lot of times brokers tells us that a certain competitor is quoting very low prices when such is not the case. In this light, we can only reason that they are trying to set up a fictitious market and, through this medium, force their principles still lower in price. It is our opinion that all business would be better off if each manufacturer did his own selling and through his salesmen learn just what kind of definite competition he had to meet.

LITTLESTOWN CANNING COMPANY, INC.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   If so, will you then credit the broker with the sale?
   \[\text{depends on merit of case}\]

5. Do you permit your broker to represent other packers with the same line as yours?
   Do you set definite territories for him? 
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? 
   If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him: 40 years. What is your main reason for using him? [Cheapest contract]

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him?

9. In general, what size order does the Merchandise broker bring to you? Large [Medium] [Small]

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

Extension of loans.
Development of new prospects
Market Information
Others

Disadvantaged

Expensive.
Cut prices to complete sales
Others

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ________________________
   (b) Through the Food Broker? ✓
   (c) By communication as mail, telephone etc? ________________________

2. To whom is your product primarily distributed?
   (a) Wholesaler? ________________________
   (b) Retailer? ________________________
   (c) Chain Store? ✓
   (d) Direct to consumer? ________________________

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   ✓

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   No
   
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? ✓
   
   Do you set definite territories for him? ✓
   
   Do you set quotas for him? ✓

6. If you do not use the Merchandise Broker now, have you ever done so? ________________________ If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 50 years. What is your main reason for using him? To keep in touch with practically all of the buyers of canned foods who are in good financial standing.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes.

9. In general, what size order does the Merchandise broker bring to you? Large __ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

(Check)  
Extension of loans.
Development of new prospects
Market Information
Others - Having a representative on the job all the time

Disadvantages

Expensive  No.
Cut prices to complete sale
Others - Not without authority of the maker.

Remarks:

The broker makes it possible for even a small canner to be represented all over the United States with reasonable expense. While salesmen to cover the territory would be entirely too expensive.

[Signature]
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? No
   (b) Through the Food Broker? Yes
   (c) By communication as mail, telephone etc? Principally mail though telegraph and phone used quite a lot.

2. To whom is your product primarily distributed?
   (a) Wholesaler? Yes
   (b) Retailer? No
   (c) Chain Store? Some
   (d) Direct to consumer? No

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Quite well informed.

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Only with an understanding through our Brokers.
   If so, will you then credit the broker with the sale? Yes.

5. Do you permit your broker to represent other packers with the same line as yours? Yes. We depend on our quality to hold our business.
   Do you set definite territories for him? Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? Use
   If so, why did you dispense with his services? Use
7. If you do use the merchandise broker now, approximately how long have you been using him? 15 years. What is your main reason for using him? On the ground every day. Knows trade well—also advises on credits.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes.

9. In general, what size order does the Merchandise broker bring to you? Large Yes Medium Yes Small Yes. All size orders from carloads down. Smaller today than in past.

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

- Extension of loans.
- Development of new prospects Yes.
- Market Information Yes
- Others Credit information Service.

Disadvantages

- Expensive not especially so.
- Cut prices to complete sales.
- Others At times, the subject to our confirmation.

Remarks:

We very much prefer the Broker service. Figure it is cheaper than we could handle direct and more efficient and an assistance and convenience to our trade by being in constant touch with them.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? 

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? 
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? 
   Do you set definite territories for him? 
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? 
   If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? __ years. What is your main reason for using him? __________________________________________

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? __________________________________________

9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check)       Disadvantages

   Extension of loans.       Expensive
   Development of new prospects       Cut prices to complete sale
   Market Information
   Others ____________________
   __________________________

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force?
   (b) Through the Food Broker?
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler?
   (b) Retailer?
   (c) Chain Store?
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Yes
   If so, will you then credit the broker with the sale?
   Yes

5. Do you permit your broker to represent other packers with the same line as yours? No except in Special Cases
   Do you set definite territories for him?
   Yes
   Do you set quotas for him?
   No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 50 years. What is your main reason for using him? **Most satisfactory and economical**

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? **Yes**

9. In general, what size order does the Merchandise broker bring to you? **Large**

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**
   
   - Extension of loans.
   - Development of new prospects ✓
   - Market Information
   - Others

   **Disadvantages**
   
   - Expensive
   - Cut prices to complete sales
   - Others

   Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ____________
   (b) Through the Food Broker? ✔
   (c) By communication as mail, telephone etc? Mark
       Telegraph - Telephone

2. To whom is your product primarily distributed?
   (a) Wholesaler? ____________
   (b) Retailer? ____________
   (c) Chain Store? ✔
   (d) Direct to consumer? ____________

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Yes. If reason is satisfactory
   If so, will you then credit the broker with the sale?
   Depend upon conditions

5. Do you permit your broker to represent other packers with the same line as yours? Yes.
   Do you set definite territories for him? No.
   Do you set quotas for him? No.

6. If you do not use the Merchandise Broker now, have you ever done so? ____________
   If so, why did you dispense with his services? ____________
7. If you do use the merchandise broker now, approximately how long have you been using him? 15 years. What is your main reason for using him? We find we pay for actual business only. I know what is costs to sell our goods.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes.

9. In general, what size order does the Merchandise broker bring to you? Large ☑️ Medium ☑️ Small ☑️

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check) Disadvantages
   Extension of loans. Expensive
   Development of new prospects ✓ Cut prices to complete sale
   Market Information ✓ Others ____________
   Others ________________

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? yes mostly 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer? 

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? No

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? Yes
   If so, will you then credit the broker with the sale? Yes If he is giving our ad the proper attention

5. Do you permit your broker to represent other packers with the same line as yours? Yes
   Do you set definite territories for him? No
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 2-0 years. What is your main reason for using him? Most economical way of selling

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Some repeat orders

9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small now

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

<table>
<thead>
<tr>
<th>Extensions of loans.</th>
<th>Expensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of new prospects</td>
<td>Cut prices to complete sale</td>
</tr>
<tr>
<td>Market Information</td>
<td>Others</td>
</tr>
<tr>
<td>Others _____________</td>
<td>_____________</td>
</tr>
</tbody>
</table>

Disadvantages

Remarks:
You have to keep after our brokers to obtain results with customers also to be on good terms to have our prices right
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? __________________________
   (b) Through the Food Broker? ✔ __________________________
   (c) By communication as mail, telephone etc? ________________

2. To whom is your product primarily distributed?
   (a) Wholesaler? ✔ __________________________
   (b) Retailer? __________________________
   (c) Chain Store? __________________________
   (d) Direct to consumer? __________________________

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Depends on Broker.

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? Yes, but Broker must lose his commission
   If so, will you then credit the broker with the sale?
   Yes.

5. Do you permit your broker to represent other packers with the same line as yours? Yes, but same do not use same contact
   Do you set definite territories for him? Yes.
   Do you set quotas for him? Yes, sales fixed in certain.

6. If you do not use the Merchandise Broker now, have you ever done so? No. Long always used Brokers. If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? **5** years. What is your main reason for using him? **Best price with least trouble**;

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? **Yes**

9. In general, what size order does the Merchandise broker bring to you? **Small**

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extension of loans</td>
<td>Expensive</td>
</tr>
<tr>
<td>Development of new prospects</td>
<td>Cut prices to complete sales</td>
</tr>
<tr>
<td>Market Information</td>
<td>Others</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

Remarks:

An **trust** broker is an asset to any business. By **trust** broker I mean one who will not cut prices to compete - a one-shot who will not and does not represent two or more parties of the same product. The one who can please both buyer and seller. A two and two deal with both hands. A good broker is not expensive when compared with theOthers expenses in nationally advertised goods; some of these goods are old things. Brokers. Canned Milk is one - and many others.

S. D. Lemieux
Messrs. Coffey & Taylor
Mass, Institute of Technology
Cambridge, Mass.

Gentlemen:

We are glad to cooperate in your request for information, but we find that we cannot be of much service to you. We advise you to get in touch with canneries that pack items like fruits and vegetables.

We import coffee and tea and prepare and pack it in our plant, and sell it through our own salesmen to the independent retail grocer, mainly in the territory of Connecticut and Western Massachusetts. Selling this type of goods in that type of territory we do not have the need of a broker.

Yours very truly,

THE WILLIAM BOARDMAN AND SONS COMPANY

April 19, 1932

[Signature]

JPJ T
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ________________
   (b) Through the Food Broker? ✓
   (c) By communication as mail, telephone etc? ________________

2. To whom is your product primarily distributed?
   (a) Wholesaler? ________________
   (b) Retailer? ✓
   (c) Chain Store? ________________
   (d) Direct to consumer? ✓

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? ✓

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? ✓
   Do you set definite territories for him? ✓
   Do you set quotas for him? ✓

6. If you do not use the Merchandise Broker now, have you ever done so? ____________________________ If so, why did you dispense with his services? ____________________________
7. If you do use the merchandise broker now, approximately how long have you been using him? ___ years. What is your main reason for using him? [ ] His knowledge of the territory. [ ] Good price security. [ ] To see his merchandise. We hear a broker in every large city.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? [ ] All the time.

9. In general, what size order does the Merchandise broker bring to you? [ ] Large _______ [ ] Medium _______ [ ] Small _______

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

(Check)

Extension of loans.
Development of new prospects
Market Information
Others ______________________

Disadvantaged

[ ] Expensive
[ ] Cut prices to complete sales
[ ] Others ______________________

Remarks:

[Signature]
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   No
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours?
   Yes
   Do you set definite territories for him?
   Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 50 years. What is your main reason for using him? On the spot all the time and we can not afford to keep good representatives in one locality all the time.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ✓ Medium ✓ Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

Extension of loans.
Development of new prospects ✓
Market Information ✓
Others __________________

Disadvantaged

Expensive
Cut prices to complete sale ✓
Others ✓
Middle merchandise
Working on account of another

Remarks:

There are a few good brokers - we have about four. The rest are useless or worse than useless.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? Yes in conjunction with Broker
   (b) Through the Food Broker? Yes
   (c) By communication as mail, telephone etc? Yes

2. To whom is your product primarily distributed?
   (a) Wholesaler? Yes
   (b) Retailer? 
   (c) Chain Store? Yes
   (d) Direct to consumer? 

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? In rare instances, if all circumstances justify it only. If so, will you then credit the broker with the sale? No. The buyer takes the order, but we credit the broker with all other sales in the territory whether he makes them or we.

5. Do you permit your broker to represent other packers with the same line as yours? No. But in some instances they do (rarely). Do you set definite territories for him? Yes. Do you set quotas for him? No.

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 14 years. What is your main reason for using him? His selling organization is worth the allowance we pay him. He is in constant close touch with his customers and their credit standing.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes he builds his business on our quality, and his firmness in repeat business with established trade.

9. In general, what size order does the Merchandise broker bring to you? Large No, Medium Yes, Small No.

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

- Extension of loans. No
- Development of new prospects. Yes, but brokers are not responsible enough.
- Market Information. Some
- Others. Every good broker stands close to certain good buyers and is in a position to get their orders. These factors being favorable, results. The only advantage of a broker to us is the fact they sell our merchandise for us and do not take orders from concerns of doubtful credit standing.

Disadvantages

- Expensive. No
- Cut prices to complete sale. Only if authorized to do so.
- Others. ____________
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours?
   Do you set definite territories for him?
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? _____ years. What is your main reason for using him? [Note: Always used brokers in half of our] Territory.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? [Note: In our Territory]

9. In general, what size order does the Merchandise broker bring to you? Large [X] Medium _______ Small _______ 

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check)       Disadvantaged

   Extension of loans.       Expensive
   Development of new prospects
   Market Information
   Others __________________

Remarks: We are not qualified to express an opinion on brokers. In our business we have always felt that our own salesmen are best as they work on salary and do merchandising work as well as selling.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler?
   (b) Retailer? Sometimes
   (c) Chain Store?
   (d) Direct to consumer? No

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? Yes

   If so, will you then credit the broker with the sale? Sometimes if he deserves it

5. Do you permit your broker to represent other packers with the same line as yours? In some markets friendly competition

   Do you set definite territories for him? No all our brokers from locally

   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 10 years. What is your main reason for using him? Cheapest and best way to reach the most desirable trade.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Depends on selling conditions.

9. In general, what size order does the Merchandise broker bring to you? Large ✔ Medium ✔ Small ✔

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

- Extension of loans.
- Development of new prospects.
- Market Information

Disadvantaged

- Expensive
- Cut prices to complete sale
- Others

Remarks:

Fredonia
N.Y.

A.P. French
Treasurer
Since 1900
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ✔
   (b) Through the Food Broker? ✔
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler?
   (b) Retailer? ✔
   (c) Chain Store? ✔
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? No

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? Yes, but we always protect the broker on his commission.
   If so, will you then credit the broker with the sale? Yes

5. Do you permit your broker to represent other packers with the same line as yours? Sometimes—depending on the competition.
   Do you set definite territories for him? Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 30 years. What is your main reason for using him? Economy.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? Yes

9. In general, what size order does the Merchandise broker bring to you? Large ☐ Medium ☑ Small ☐

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check)  Disadvantages

   Extension of loans. Expensive
   Development of new prospects ☑
   Market Information ☐
   Others ☑ Close, contact personal contacts with buyers.

   Remarks:

   Cut prices to complete sales
   Others Expertise in buying
   to develop new outlets
   Through their necessity
   Of selling to established distribution.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? 
   Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?
   Yes
   If so, will you then credit the broker with the sale?
   Yes

5. Do you permit your broker to represent other packers with the same line as yours? 
   Yes
   Do you set definite territories for him? 
   No
   Do you set quotas for him? 
   No

6. If you do not use the Merchandise Broker now, have you ever done so? 
   Yes 
   If so, why did you dispense with his services? Not entirely satisfactory
7. If you do use the merchandise broker now, approximately how long have you been using him? What is your main reason for using him? 
   [Handwritten: to sell the new food.]

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? 
   [Handwritten: Quite a regular few cases to a small order.]

9. In general, what size order does the Merchandise broker bring to you? 
   [Handwritten: Large, Medium, Small.]

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**
   - Extension of loans. [Check]
   - Development of new prospects. [Check]
   - Market Information. [Check]
   - Others: 
     - A new broker can work with the buyer better and are in a better position to do so.
     - Remarks: just different for compliances.

   **Disadvantaged**
   - Expensive
   - Cut prices to complete sale.
   - Others: 
     - 
     - 
     - 

   We did not operate this way owing to the fact that it was impossible to secure orders that would cover cost of packing. We made a specialty of packing fancy foods and this trade has been badly affected owing to price cutting conditions in the canning line.

   [Signature: James Cobb, Jr.]
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? 
   (b) Through the Food Broker? 
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? 
   (b) Retailer? 
   (c) Chain Store? 
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? We sell the larger chains direct, all others thru Broker.
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? 
   Do you set definite territories for him? 
   Do you set quotas for him?

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? 40 years. What is your main reason for using him?  He is acquainted with the taste and familiar with their wants.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him?

9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages

Extensions of loans.
Development of new prospects.
Market Information.

Disadvantaged

Expensive
Cut prices to complete sale
Others

Remarks:

Replying to No. 9. The size order depends on the particular territory in which the firm is located. In some sections of the Country Wholesalers buy in larger quantities than in others.
FOUNDED 1855

RICHARDSON & ROBBINS COMPANY

PACKERS OF
BONED CHICKEN, PLUM PUDDING, POTTED MEATS
SPECIAL PREPARED PRUNES
IN GLASS JARS

DOVER, DELAWARE April 19th, 1932

Messrs. Coffey & Taylor
Massachusetts Institute of Technology
Cambridge, Mass.

Gentlemen:

Replying to your letter of the 18th instant, we do not do business through brokers, using our own men to call on the trade. Our method of distribution is through jobbers and chain stores.

Yours truly,

[Signature]
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? __________
   (b) Through the Food Broker? ________________
   (c) By communication as mail, telephone etc? __________

2. To whom is your product primarily distributed?
   (a) Wholesaler? __________
   (b) Retailer? ________________
   (c) Chain Store? __________
   (d) Direct to consumer? ________________

3. Does your method of distribution keep you in constant touch with
   the market, so that you have all advantages of anticipated trends?
   Yes

4. If you use brokers and a buyer refuses to buy through your
   broker and applies to you direct will you do business with him?
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the
   same line as yours? ________________________________
   Do you set definite territories for him? ________________
   Do you set quotas for him? __________________________

6. If you do not use the Merchandise Broker now, have you ever done
   so? __________ If so, why did you dispense with
   his services? On account of the necessity
   of keeping in closer contact with
   the trade
7. If you do use the merchandise broker now, approximately how long have you been using him? ___ years. What is your main reason for using him? ____________________________________________

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? ____________________________________________

9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages (Check) Disadvantages

Extension of loans. Expensive
Development of new prospects Cut prices to complete sale
Market Information Others __________
Others ________________

Remarks:

__________________________

__________________________
May 9, 1932.

Messrs. A. P. Coffey and
C. H. Taylor,
Room 1 -181
Massachusetts Institute of Technology,
Cambridge, Massachusetts.

Gentlemen:

We are enclosing herewith questionnaire which you sent us covering a survey of the status, present and future of the Food Broker.

We really can give you very little information as we sell our products almost entirely through our own sales force.

Yours very truly,

CAMPBELL SOUP COMPANY

CBA:s

G. B. Annett
Assistant to President
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? [x]
   (b) Through the Food Broker?
   (c) By communication as mail, telephone etc?

2. To whom is your product primarily distributed?
   (a) Wholesaler? [x]
   (b) Retailer?
   (c) Chain Store? [x]
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends?
   Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him?

5. Do you permit your broker to represent other packers with the same line as yours?

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services?
7. If you do use the merchandise broker now, approximately how long have you been using him? ____ years. What is your main reason for using him?


8. If you use the Merchandise Broker, do you get a large number of repeat orders from him?


9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   Advantages (Check) Disadvantages

   Extension of loans. Expensive
   Development of new prospects
   Market Information
   Others __________________ 
   __________________

Remarks:
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? Yes
   (b) Through the Food Broker? Yes
   (c) By communication as mail, telephone etc? Yes

2. To whom is your product primarily distributed?
   (a) Wholesaler? Yes
   (b) Retailer? No
   (c) Chain Store? Yes
   (d) Direct to consumer? No

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? Yes

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? If so, will you then credit the broker with the sale? Yes

5. Do you permit your broker to represent other packers with the same line as yours? Yes
   Do you set definite territories for him? Yes
   Do you set quotas for him? No

6. If you do not use the Merchandise Broker now, have you ever done so? If so, why did you dispense with his services? 
7. If you do use the merchandise broker now, approximately how long have you been using him? 40 years. What is your main reason for using him? **Frequent contact with buyers.**

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him? **Yes.**

9. In general, what size order does the Merchandise broker bring to you? Large _____ Medium _____ Small _____

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

   **Advantages**
   - Development of new prospects
   - Market Information
   - Others

   **Disadvantages**
   - Extension of loans
   - Expensive
   - Cut prices to complete sale
   - Others

   **Remarks:**
   - Desirable now depends on the market, type of wholesale, price etc. but at present time the majority of orders are from small to medium, hand to mouth buying.
1. How does your company distribute its products? (Check)
   (a) Through your own sales force? ✓
   (b) Through the Food Broker? ✓
   (c) By communication as mail, telephone etc? ✓

2. To whom is your product primarily distributed?
   (a) Wholesaler? ✓
   (b) Retailer?
   (c) Chain Store? ✓
   (d) Direct to consumer?

3. Does your method of distribution keep you in constant touch with the market, so that you have all advantages of anticipated trends? ✓

4. If you use brokers and a buyer refuses to buy through your broker and applies to you direct will you do business with him? No
   If so, will you then credit the broker with the sale?

5. Do you permit your broker to represent other packers with the same line as yours? Sometimes
   Do you set definite territories for him? ✓
   Do you set quotas for him? Sometimes

6. If you do not use the Merchandise Broker now, have you ever done so? ____________________________ If so, why did you dispense with his services? ____________________________
7. If you do use the merchandise broker now, approximately how long have you been using him? 20 years. What is your main reason for using him? In some markets they can handle at less cost.

8. If you use the Merchandise Broker, do you get a large number of repeat orders from him?

9. In general, what size order does the Merchandise broker bring to you? Large  Medium  Small

10. What in your opinion are the advantages and disadvantages of Food Brokers in distributing canned food?

Advantages  (Check)  Disadvantages

Extension of loans.  Expensive
Development of new prospects  Cut prices to complete sale
Market Information  Others
Others

Remarks:
Above applies to those we consider Food Brokers. Many, probably more than 50%, we would rate as poor.

The Sears & Roebuck Co.
Indianapolis, Ind.
APPENDIX -B.

BROKERS QUESTIONNAIRE.
1. What type canner works through you?
   (a) Nationally advertized
   (b) Larger canners but not advertized
   (c) Small and unknown canner.

   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several? General
   (a) If several are they competitive? yes

3. Does the packer set quotas for you? no
   If so, is there any incentive to reach the quota other than commission

4. Does the packer restrict you to definite territories? yes
   To his product alone? no

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers', Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   Packer

   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________
   __________________________________________
7. How has the decline in the number of wholesale grocers affected your business?
- Increased ______ Unchanged ______ Decreased ______

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
- Increased ______ Unchanged ______ Decreased ______

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? ______
   (b) On part of buyer's associations? ______

Remarks: Often try to buy, to get better or usual descent.
1. What type canner works through you?
   (a) Nationally advertised  No __________________________
   (b) Larger canners but not advertised  Yes ____________________
   (c) Small and unknown canner.  Yes __________________________

   Through whom is the greatest volume done? a, b, or c Larger

2. Do you represent one canner alone or several?  Several __________________
   (a) If several are they competitive?  Yes on some items

3. Does the packer set quotas for you?  No __________________________
   If so, is there any incentive to reach the quota other than commission
   Incentive is to sell all we can of desirable merchandise

4. Does the packer restrict you to definite territories?  ________________
   To his product alone?  Yes, principally to New England territory

5. With whom do you do most of your business?
   (a) Large Chains Answer under head of  "Remarks"
   (b) Wholesale Grocers most to Wholesale Grocers.
   (c) Bakers' Supply not so much
   (d) Retailers none
   (e) Hotel Supplies largely Wholesale Grocers

6. What services do you furnish the, (List)

   *Buyer*  *Packer*

   Offerings from all sources.  Introduction of their products
   Continual postings almost daily.  by a sales force, without expense
   Pool car rate of freight on to Seller, except brokerage
   small lots.  on sales actually made and paid for.

   Adjustments on unsatisfactory Adjustments or provisions for
   deliveries.  Arbitration if any controversy as to
   breach of contract or quality.

   Brokers must be friends of both buyers and Sellers.
7. How has the decline in the number of wholesale grocers affected your business?

Increased _______ Unchanged _______ Decreased ___

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?

Increased _______ Unchanged _______ Decreased ___

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? Some are loyal, others are not
   (b) On part of buyer's associations? very unjust

Remarks:
These large foreign chains have grown so large their demands upon sellers have gone beyond mere brokerage and increased to advertising allowances which are merely secret rebates. This brings forth the cooperative buying associations and voluntary chains, most of whom are making the same demands. This is all to the disadvantage of the Canner, The Broker and the smaller Distributors.

The A & P and some other foreign chain have their direct buyers in the localities where a staple is canned. They most always demand and get the brokerage concession which they do not earn. Local chains buy largely from brokers.

From
CLEMMER & CONOVER INC.
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.
   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several?
   (a) If several are they competitive?

3. Does the packer set quotas for you? Yes
   If so, is there any incentive to reach the quota other than
   commission

4. Does the packer restrict you to definite territories?
   Yes
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. With whom do you do most of your business?
   Buyer
   Market testings
   Pool Car service
   Merchandising information
   Time-saving contacts
   Packer
   Sales service
   Not a cost lower
   than he can
   travel his personal
   representative
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased [ ] Unchanged [X] Decreased [ ]

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased [ ] Unchanged [X] Decreased [ ]

   While there has been a decrease in size of jobbers in large cities, many new "small scale" jobbers have opened up, filling service in the smaller cities.

9. Do you find that there is any unjust discrimination against you?
   
   (a) On part of packer? [ ] No [X]
   
   (b) On part of buyer's associations? [ ] Yes - if it is

Remarks: a buyer's association that expects to collect brokerage for the buyer. The buyer is then actually paid for a service he does not render - sales service.

We believe there will always be opportunities for a buyer who maintains an organization well posted on the markets - who have direct contacts with the markets - and who sells in a way that inspires confidence in both factory, canneries, refineries and the buyer.
SUGAR

Gentlemen:

<table>
<thead>
<tr>
<th></th>
<th>OPEN</th>
<th>CLOSE</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1933</td>
<td>.61</td>
<td>.59</td>
<td>2 down</td>
</tr>
<tr>
<td>July 1933</td>
<td>.69</td>
<td>.67</td>
<td>1 down</td>
</tr>
<tr>
<td>Sept. 1933</td>
<td>.75</td>
<td>.74</td>
<td>4 down</td>
</tr>
<tr>
<td>Dec. 1932</td>
<td>.83</td>
<td>.87</td>
<td>5 up</td>
</tr>
<tr>
<td>Jan. 1933</td>
<td>.85</td>
<td>.84</td>
<td>no change</td>
</tr>
<tr>
<td>Mar. 1933</td>
<td>.90</td>
<td>.89</td>
<td>1 down</td>
</tr>
</tbody>
</table>

REFINED SUGAR MARKET:  — $ 3.87½ — direct cars, consignment withdrawals, or four payment plan.

TELEPHONE US IF YOU NEED SUGAR * Don't let yourself run low — Everything to gain — nothing to lose on the Four Payment Plan.

NEW YORK Wires as follows:

"Raws market steady — Sales National 8,000 bags and Arbuckle 10,000 bags Portoricos early May arrival 2.61 — American 5,500 tons Philippines late April arrival 2.61 — Operators bought 2,000 tons Philippines June July shipment 2.73 — Refined continues quiet, unchanged — new business fair."

Yours very truly,

L. A. PARKER & COMPANY

ALL QUOTATIONS SUBJECT TO PRIOR SALE AND CHANGE WITHOUT NOTICE
L. A. PARKER & Co.
WHOLESALE MERCHANDISE BROKERS

TELEPHONES: 8286-8287
430 FULTON AVENUE
EVANSVILLE, INDIANA

All varieties Canned Vegetables, Beans, Rice, Nuts, Fruits, Preserves, Pickles, Mustard, Peanut Butter, Canned Fish, Salsas, and Spiced Fish. A complete line for the Wholesale Grocer.

All quotations subject to prior sale and change without notice.

AND YOU DO
KNOW WHEN YOU BUY
H. H. SHUFELDT
OLIVES AND
CHERRIES!

THESE SPECIAL PRICES
on Cherries —
Are for APRIL shipment only —
Subject immediate withdrawal — and
not retroactive.

BUYERS WHO WISH TO
BENEFIT BY THESE
SPECIAL OLIVE PRICES
MUST ENTER INTO a
contract NOW for
THEIR REQUIREMENTS
to June 30th!

CHERRIES: SPECIAL APRIL SHIPMENT ONLY

<table>
<thead>
<tr>
<th>Size</th>
<th>Private</th>
<th>Factory Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>2½ oz.</td>
<td>.70 dz.</td>
<td>.52½¢ a doz.</td>
</tr>
<tr>
<td>4 oz.</td>
<td>.70 dz.</td>
<td>.55 dz.</td>
</tr>
<tr>
<td>7 oz.</td>
<td>.70 dz.</td>
<td>.57½¢</td>
</tr>
<tr>
<td>11 oz.</td>
<td>.70 dz.</td>
<td>.56¢</td>
</tr>
<tr>
<td>12 oz.</td>
<td>.70 dz.</td>
<td>.60¢</td>
</tr>
<tr>
<td>13 oz.</td>
<td>.70 dz.</td>
<td>.60¢</td>
</tr>
<tr>
<td>16 oz.</td>
<td>.70 dz.</td>
<td>.62¢</td>
</tr>
<tr>
<td>7 oz.</td>
<td>.70 dz.</td>
<td>.62¢</td>
</tr>
<tr>
<td>9½ &quot;</td>
<td>.70 dz.</td>
<td>.66¢</td>
</tr>
<tr>
<td>16 oz.</td>
<td>.70 dz.</td>
<td>.70¢</td>
</tr>
</tbody>
</table>

Also special prices on 8, 16, and 28 oz. on request.

OLIVES: Place your contract for requirements to June 30th.

<table>
<thead>
<tr>
<th>Size</th>
<th>Factory Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 oz. Place Queen</td>
<td>.70 dz.</td>
</tr>
<tr>
<td>7 oz.</td>
<td>.70 dz.</td>
</tr>
<tr>
<td>11 oz.</td>
<td>.70 dz.</td>
</tr>
<tr>
<td>12 oz.</td>
<td>.70 dz.</td>
</tr>
<tr>
<td>16 oz.</td>
<td>.70 dz.</td>
</tr>
</tbody>
</table>

All fob Peoria, Ill.

H-87
April 1, 1932
Friday.

TELL L. A. PARKER WHAT YOU WANT
MILK

Effective now -
And until further notice -
We can make the following prices on Evaporated milk:

Carload price .... $2.40 cs. Delivered
L.C.L. PRICE .... 2.50 "

The price applies to TALL -- BABY -- and TENs
These prices good only for points on the Ohio River or North, or points interior in Kentucky. Tennessee must take higher price.

FLOOR STOCKS ARE GUARANTEED AGAINST SELLER'S DECLINE FOR A PERIOD OF 90 DAYS.

PRICE IS GUARANTEED TO BE 30¢ under advertised brands

THIS A HIGH QUALITY - ABSOLUTELY PURE MILK - guaranteed to comply with all Federal and State Laws.
A better product cannot be bought regardless of price.

THE SHIPPER IS ABSOLUTELY RESPONSIBLE.

PRIVATE LABEL: If you are interested in CANNED MILK under your private label - let us figure with you. We can supply labels for you FREE OF CHARGE.

EXCLUSIVE BRAND: If you are interested in an exclusive brand arrangement - we can arrange this for you.

WHY NOT? Why not buy the BEST MILK - at the same time make a profit and build your business on CANNED MILK to a permanent basis.

TALK IT OVER WITH FRANK STEIN

H-63 3/11/32 Friday

TELL L. A. PARKER WHAT YOU WANT
Items you may want to include in the Pratt-Low car coming to Evansville:

1. **YOUR ASPARAGUS ORDER OF COURSE .. NEW PACK**
   See Price list attached. If we do not quote the size you want - telephone us at our expense. We will give you prices on all other sizes etc.

2. Have you a credit on PINEAPPLE from Pratt-Low? If you have you remember that this credit must be taken out in Pineapple. How much Pineapple will it take to use up your credit. Let us know and permit us to ship your PINEAPPLE in this car,

3. Many Jobbers are getting repeated inquiries at this time for #10 Fruits. A complete price list on Pratt-Low #10s on request - but you must work quickly if you want shipment in this car.

4. Artichokes ! New Pack soon ready. "Never sell 'em!" Perhaps you don't - but there are some sold in the territory .... if you want a few Artichokes - ask us for prices.

5. **ANYTHING IN THE Pratt-LOW LINE MAY BE INCLUDED IN THIS CAR .... PEACHES APRICOTS Pears SPINACH GRAPEs PLUMS ......... CHECK OVER YOUR STOCK .... LET US KNOW WHAT YOU NEED IN CALIFORNIA FRUITS TO CARRY YOU UNTIL THE NEW PACK ....

6. And above all -- don't forget that Asparagus Order.

L. A. PARKER & COMPANY

H-99
April 14, 1932
Thursday
WAKE UP! if you wait until the TAX is PASSED - your COST will have to SWALLOW the Tax.

430 FULTON AVENUE
EVANSVILLE, INDIANA

PLAN to get your shipments in your warehouse before the Tax is effective.

72d CONGRESS
First Session H.R. 10236 In the SENATE of the UNITED STATES

AN ACT To provide revenue, equalize taxation, etc.

TITLE IV MANUFACTURERS EXCISE TAX

Section 601. (c) There is hereby imposed upon the following articles sold in the United States by the manufacturer or producer, or imported into the United States, a tax at the rates hereinafter set forth, to be paid by THE MANUFACTURER, PRODUCER, or IMPORTER:

(2) BREWER'S wort, liquid malt, malt syrup, and malt extract, fluid, solid, or condensed (unless sold to a baker for use in baking or to a manufacturer of malted milk or medicinal products for use in the manufacture of such products), if containing less than 15 per centum of solids by weight, 5 cents a gallon; if containing 15 per centum or more of solids by weight, 35 cents a gallon.

Section 612. TAX ON MATCHES. There is hereby imposed upon matches, sold by the manufacturer, producer, or importer, a tax of 4 cents per 1000 matches.

Section 1107. EFFECTIVE DATE OF ACT. Except as otherwise provided, this ACT shall take effect upon its enactment.

PASSLED the HOUSE OF REPRESENTATIVES April 1, 1932.

Our MALT and MATCH People are accepting orders
H-98 Subject to their ability to make shipment before
4-12-32 tax is effective.
Tuesday

ALL QUOTATIONS SUBJECT TO PRIOR SALE AND CHANGE WITHOUT NOTICE
Ex-Warehouse Evansville:

Prime Michigan Beans (old crop) $1.80
CRC Michigan Beans 2.36
98s Great Northern 2.55
96s " 2.50
CRC Pintos 2.55
98s Idaho Reds (Mexican) 2.70
Large Limas 4.95
Baby " 3.75

Buy in Pool Cars coming to Evansville:

Car now to arrive contains:

CRC PINTOS .. $2.45
Ex-Car Evansville

CAR LIMAS TO ARRIVE:
Ex-Car Evansville
Large .... $4.85 cwt.
Baby .... 3.50

Today's market
Straight cars one variety.

CHP MICHIGANS $2.05
PRIME " Hand Picked 1.90
FANCY SCREENED 1.80
98s NORTHERNS 1.35
96s " 1.30
CRC PINTOS 1.60
Idaho Reds 98s 1.35
Blackeyes 2.15
fob shipping point
Large Calif. Limas 3.70
Baby " 2.20
Less 1% S/D
fob Calif.

Average rate
Average rate to this territory:

Lichigans .36
Colorados .80
Idahos 1.05
Calif. 1.05

These primes are a very good value - not many left unsold.

Bean prices change daily. Telephone us at our expense if you need beans. We can ship full cars - assorted cars at stop-over cars.

H-104
April 1932 Tuesday
1. What type canner works through you?
   (a) Nationally advertised
   Yes
   (b) Larger canners but not advertized
   Yes
   (c) Small and unknown canner
   Yes
   Through whom is the greatest volume done? a, b, or c
   with

2. Do you represent one canner alone or several?
   Several
   (a) If several are they competitive?

3. Does the packer set quotas for you? No
   If so, is there any incentive to reach the quota other than
   commission

4. Does the packer restrict you to definite territories? Yes
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)
   Buyer
   - Have our salesmen
     call on buyers.
     Try to help them get all
     any complaints settled.
     assist them in ever-
     thing we can.

   Packer
   - We help collect
     overdue accounts.
     assist them in
     everything we can.
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____  Unchanged X  Decreased _____

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased X  Unchanged _____  Decreased _____

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? ______
   (b) On part of buyer's associations? ______________

Remarks:
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.
   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several? About 50
   (a) If several are they competitive?

3. Does the packer set quotas for you? No
   If so, is there any incentive to reach the quota other than commission No

4. Does the packer restrict you to definite territories? Yes
   To his product alone? Yes

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)
   **Buyer**
   Keep posted on market conditions
   Suggest purchase of merchandise that our experience tells us are good trades
   **Packer**
   Effort selling organization and advice
7. How has the decline in the number of wholesale grocers affected your business?
   Increased  Unchanged  Decreased

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased  Unchanged  Decreased

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer?  No
   (b) On part of buyer's associations?  Yes

Remarks:
1. What type canner works through you?
   (a) Nationally advertised ______ Yes
   (b) Larger canners but not advertised ______ Yes
   (c) Small and unknown canner. ______ Sometime

   Through whom is the greatest volume done? a, b, or c. ______ A

2. Do you represent one canner alone or several? ______ Several
   (a) If several are they competitive? ______ No.

3. Does the packer set quotas for you? ______ Sometime
   If so, is there any incentive to reach the quota other than commission ______ Yes

4. Does the packer restrict you to definite territories? ______ Yes
   To his product alone? ______ Yes

5. With whom do you do most of your business?
   (a) Large Chains ______ 1st.
   (b) Wholesale Grocers ______ 2nd.
   (c) Bakers' Supply ______
   (d) Retailers ______
   (e) Hotel Supplies ______

6. What services do you furnish the, (List)
   Buyer
   Packer

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

   We afford the various buyers market information, statistics, and give them the benefit of packer's offerings. We are also able to promote the packer's best interests by keeping his product before the trade, and obtaining all possible business for him.

   John R. Ergood & Co.
7. How has the decline in the number of wholesale grocers affected your business?

Increased ______ Unchanged ______ Decreased /\n
8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?

Increased ______ Unchanged ______ Decreased \n
9. Do you find that there is any unjust discrimination against you?

(a) On part of packer? ___ No

(b) On part of buyer's associations? ___ No

Remarks:

JOHN R. ERGOOD & CO.
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.
   Through whom is the greatest volume done? a, b, or c
2. Do you represent one canner alone or several?
   (a) If several are they competitive?
3. Does the packer set quotas for you?
   If so, is there any incentive to reach the quota other than commission
4. Does the packer restrict you to definite territories?
   To his product alone?
5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies
6. What services do you furnish the, (List)

Buyer

Only straight selling services

Packer
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____ Unchanged _____ Decreased _____

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____ Unchanged _____ Decreased _____

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? No
   (b) On part of buyer's associations? Yes

Remarks:
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertized
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   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several?
   (a) If several are they competitive? yes

3. Does the packer set quotas for you? no
   If so, is there any incentive to reach the quota other than commission?

4. Does the packer restrict you to definite territories? yes
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)
   Buyer
   - Submit orders
   - Keep them
   - Generally obey
   Packer
   - Offer chain
   - Meet demands
   - Keep everything
   - Obey orders
7. How has the decline in the number of wholesale grocers affected your business?
   - Increased _____  Unchanged _____  Decreased _____

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   - Increased _____  Unchanged _____  Decreased _____

We now shall turn again in view of the individual they refer to.

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? _____
   (b) On part of buyer's associations? _____

Remarks:

The answers to the above questions would hardly be representative of the present situation.

The questions themselves generally would generally apply in normal times. However, the structure has toppled due to the depression and the fear to buy in large quantities.

Instability of prices is responsible in large measure to present hand to mouth buying. Chain stores are also responsible for the advent of your organization.

The no. 1 factor we have an union. The union has fallen considerably.

This opinion I believe is representative.
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.

Through whom is the greatest volume done? a, b, or c. B

2. Do you represent one canner alone or several? 
   (a) If several are they competitive? yes

3. Does the packer set quotas for you? no
   If so, is there any incentive to reach the quota other than 
   commission

4. Does the packer restrict you to definite territories? yes
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   Pasting on Markets
   Arranging Pool Car
   Shipment, Grading
   Just quality etc.

   Packer
   Featuring their lines
   Energize activities attempting
   Establish active demand
   for their products
   Collectives etc.
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____  Unchanged _____  Decreased _____

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____  Unchanged _____  Decreased _____

   Remarks:

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? _____
   (b) On part of buyer's associations? _____

   Remarks:
1. What type canner works through you?
   (a) Nationally advertized  No
   (b) Larger canners but not advertized  Yes
   (c) Small and unknown canner.  Yes

   Through whom is the greatest volume done?  a, b, or c  C

2. Do you represent one canner alone or several?  Several
   (a) If several are they competitive?  Yes

3. Does the packer set quotas for you?  No
   If so, is there any incentive to reach the quota other than commission

4. Does the packer restrict you to definite territories?  No
   To his product alone?  No

5. With whom do you do most of your business?
   (a) Large Chains  Yes
   (b) Wholesale Grocers  Yes
   (c) Bakers' Supply  No
   (d) Retailers  No
   (e) Hotel Supplies  No

6. What services do you furnish the, (List)

   Buyer
   Purchase his goods for him.
   The packer pays our commission.

   Packer
   Sell his goods- furnish him
   shipping directions- guarantee
   the solvency of the buyer -
   invoice his goods for him and
   pay him in 10 days whether we
   get paid or not.
7. How has the decline in the number of wholesale grocers affected your business?

   Increased _____  Unchanged _____  Decreased _____  Yes

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?

   Increased _____  Unchanged _____  Decreased _____  Yes

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer?  No
   (b) On part of buyer's associations?  Yes

Remarks:

The business of the canned foods broker has been very seriously curtailed by the passing out of a large number of wholesale grocers. These wholesale grocers have gone out of business, owing to the competition of the chain stores and the cooperative buying association. The largest chain stores have given the broker something to worry about and are a menace to his continuance in business. They go direct to the packer, over the brokers' head, and offer him a large volume of business, but demands the full brokerage from the packer or seller, just the same as that packer pays to the broker.

As they are very heavy handlers of especially cheap lines of canned foods, they become a very serious factor. It is their desire not to deal through a broker in any way, but to go direct to the packer and get all the brokers in addition to the regular cash discount.

In addition to this and in part way to meet some of this competition, several heretofore large brokerage houses have adopted the plan of buying goods from the packer in their own right, and then reselling these goods at a very slight advance. Their defense is that it's the only way to meet the chain store buying.

Whenever they catch a flock of goods real cheap, they purchase the entire pack, and then sell it out as they can. They can usually get a small concession by buying in this way for spot cash.

However, we have always held that the broker has not been a broker, working for the good of the packer, but becomes a dealer himself.

(cont. on Sheet #2)
(cont. from Page 1)  
Sheet #2

We would say that 50% of the goods sold from this section of the country are sold through brokerage houses, who do business in this manner.

The chain store is gradually driving the brokers from the business as he has the jobbers. From present indications, he will also drive the packer. Already two of the large chain stores own and operate very pretentious packing plants.

Yours very truly,
N. H. FOOKS & CO.

[Signature]

BP*EE
1. What type canner works through you?
   (a) Nationally advertised [Yes]

2. Do you represent one canner alone or several? [Several]
   (a) If several are they competitive? [Yes]

3. Does the packer set quotas for you? [No]

4. Does the packer restrict you to definite territories? [No]

5. With whom do you do most of your business?
   (a) Large Chains [Yes]
   (b) Wholesale Grocers [Yes]
   (c) Bakers' Supply [Yes]
   (d) Retailers [No]
   (e) Hotel Supplies [No]

6. What services do you furnish the, (List)

   Buyer
   ________________________________
   ________________________________
   ________________________________
   ________________________________

   Packer
   ________________________________
   ________________________________
   ________________________________
   ________________________________
   ________________________________
7. How has the decline in the number of wholesale grocers affected your business?
   - Increased [ ] Unchanged [X] Decreased [ ]

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   - Increased [ ] Unchanged [X] Decreased [ ]

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? [ ] Yes [X]
   (b) On part of buyer's associations? [X]

Remarks:
Page 1 - a 13-C - We rep all 3 lines of Canners
We rep competition long because one canner may be
put out of certain stores which another may have
Elimination of many Wholesalers has
caused a decrease in business volume
Cooperative Associations have been successful
in buying direct & getting the better of
Commission which I think is too Brooke.

[Signature]
Columbus
1. What type canner works through you?
   (a) Nationally advertised ________ No ________
   (b) Larger canners but not advertised ________ Yes ________
   (c) Small and unknown canner. __________________________

   Through whom is the greatest volume done? a, b, or c ___

2. Do you represent one canner alone or several?
   (a) If several are they competitive? ________ No - vegetables
      form one canner, fruits from another

3. Does the packer set quotas for you? ________ No ________
   If so, is there any incentive to reach the quota other than
   commission __________________________

4. Does the packer restrict you to definite territories? ________ Yes ________
   To his product alone? ________ Yes ________

5. With whom do you do most of your business?
   (a) Large Chains ______________
   (b) Wholesale Grocers __________
   (c) Bakers' Supply ____________
   (d) Retailers ________________
   (e) Hotel Supplies ___________

6. What services do you furnish the, (List)

   Buyer
   Printed quotations on all items market
   news and views
   wire or letter advice
   ______________

   Packer
   Storage & delivery
   Payment of freight
   invoicing when requested
   Competition market condition
   ________
   ________________
   ________________
   ________________
   ________________
   ________________
   ________________
   ________________
   ________________
   ________________
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____  Unchanged _____  Decreased ☑

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____  Unchanged ☑  Decreased _____

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? ☑
   (b) On part of buyer's associations? ☑

Remarks:
Messrs. Coffey & Taylor,
Room 1-161,
Mass. Institute of Technology,
Cambridge, Mass.

Gentlemen:

Replying to your letter of the 18th, we have filled out the questionnaire as completely as possible with the intent of giving you information which you can use to an advantage. It is a pleasure to be of as much assistance as we can as the writer knows personally that you are in for a lot of work before you get this survey completed and no doubt write a thesis on it.

An explanation of our activities as brokers in this state, we are mainly field brokers of Wisconsin canned vegetables, specializing in no one line but handling all lines packed in this state. We work through associate brokers in most every principle market in the United States and they in turn contact the buyers with our offerings.

Nationally advertised canners have their own brokers in these principle markets that represent them direct and, of course, that eliminates the field broker in working with these people as it would conflict greatly with their operations. The same is true of the larger canners, but they do not have as many territories in direct representation with them and in these instances we have the opportunity of selling for their accounts. The smaller, or what you term as "Unknown Canners", does not limit our operations and consequently our greatest volume of business is done through these canners. We wish to say, however, that as far as the trade is concerned, referring to the ultimate public as a whole, there are very few canning companies that are actually known by them. The buyers in these various markets usually know most of the packers from Wisconsin either personally or by handling some of their merchandise.

As stated before, we operate as field brokers. We do not represent just one canner, but several. In fact, most every canner in the state. We have never taken on these packer's accounts guaranteeing to sell all their merchandise but what we do is to have several men on the road finding out what merchandise these various canners have to sell and then selling it through our associate brokers in the various cities. In this way, of course, your third question is answered very easily.
Messrs. Coffey & Taylor 4-20-32

There are no quotas set as that would be impossible. There is no incentive to reach these quotas as the brokerage on every sale is the same.

Your fourth question we have answered by saying that in some instances these canners established a trade for their various merchandise and therefore it is restricted by them so that no conflict is created. Our business is carried on more generally with the wholesale grocers. Of course we do sell chain organizations and baker's supply houses. In most markets the wholesale grocer covers hotel supplies as far as the vegetable end is concerned.

To try to designate further the chain or the wholesale grocery business as to which one with whom we do the larger business is hard to do as selling to chain organizations is very erratic. In some instances they may buy five, ten or twenty cars of merchandise at one time, depending upon the bargain which is represented. Of course, you know that this is generally impossible for a wholesale grocer as his outlet is comparatively smaller. Frankly speaking, however, the wholesale grocer's business is more a regular proposition and therefore have designated that more business is carried on with these people.

We certainly hope that what little information we have given you will be of advantage to you gentlemen. We wish you success in your venture.

Yours very truly,

WISCONSIN BROKERAGE COMPANY INC.

BY:

MBM: JR
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.

   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several?
   (a) If several are they competitive?

3. Does the packer set quotas for you?
   If so, is there any incentive to reach the quota other than commission?

4. Does the packer restrict you to definite territories?
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)
   Buyer  Packer
   Quotations, (spot & future)  Sales Service
   Conditions regarding development, Market information
   Product information  Handling of matters in case of any default on buyer's part
   The arrangements for shipping  ___________
7. How has the decline in the number of wholesale grocers affected your business?
   Increased ______  Unchanged ______  Decreased ______

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased ______  Unchanged ______  Decreased ______

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? _______
   (b) On part of buyer's associations? _______

Remarks:
1. What type canner works through you?
   (a) Nationally advertised Del Monte Canned Goods, Anglo Beef, Carnation Milk
   (b) Larger canners but not advertized Corn canners
   (c) Small and unknown canner. Tomatoes, Sweet Potatoes, and Peas

   Through whom is the greatest volume done? a, b, or c A & B

2. Do you represent one canner alone or several? Several
   (a) If several are they competitive? They are not competitive except on Virginia tomatoes.

3. Does the packer set quotas for you? In the main - no.
   If so, is there any incentive to reach the quota other than commission we continually strive to increase the output of our principals as we take pride in seeing our volume grow.

4. Does the packer restrict you to definite territories? Yes
   To his product alone? Yes - on advertised lines

5. With whom do you do most of your business?
   (a) Large Chains x
   (b) Wholesale Grocers x
   (c) Bakers' Supply x
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   We keep the buyer thoroughly posted as to prices and conditions with respect to every commodity we sell.

   Packer
   We endeavor to further the popularity of their brands and secure a wide distribution
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased ______  Unchanged ___  Decreased ______

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased ______  Unchanged ___  Decreased ______

9. Do you find that there is any unjust discrimination against you?

   (a) On part of packer? Occasionally a packer will try to sell a jobber direct
   
   (b) On part of buyer's associations? Some buying associations try to buy their goods less the brokerage

Remarks:

We do not know of a line of business that is more essential to the distribution of food than the brokerage business. The broker acts as an intermediary between the packer and the wholesale grocery and legitimate chain and we believe the broker will emerge from the present situation in a stronger position than ever before. However, at all times there are unusual, unethical, and unfair practices on the part of a few packers and buying associations although, we are not troubled to any extent with wholesale and retail buying associations in this territory.

Yours very truly,

AMERICAN BROKERAGE COMPANY, INC.
1. What type of canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.

Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several?
   (a) If several are they competitive?

If so, is there any incentive to reach the quota other than commission?

3. Does the packer set quotas for you?

4. Does the packer restrict you to definite territories?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do your furnish the, (List)

Buyer

Packer

We keep their footings and

advice before buyer.

The day by day receive any changes

in market prices our buyers

are posted the same day either

in person, phone or wire

We keep their footings and

advise before buyer.

The day by day receive any changes

in market prices our buyers

are posted the same day either

in person, phone or wire
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _______ Unchanged _______ Decreased _______ Slightly

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _______ Unchanged _______ Decreased _______

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? _______ No
   (b) On part of buyer's associations? _______ Some, but not to any great extent.

Remarks:
There are some associations that would like to have packers and manufacturers pay them the brokerage on all their purchases. But the best and loyal ones will not do so at the expense of their broker. There are some packers who have no sales force who may allow brokerage to buyers but do not think it is considered good business among the better trade. The wholesale grocer has always depended upon the broker for information and only of late years have the wholesale grocers changed their ideas especially those who have joined some association whose headquarters are in a distant City and who employ buyers on different products and in order to pay...
these buyers they try to collect brokerage in addition to getting the lowest price they can on the merchandise they are buying.

The broker of a large store cannot possibly serve as many packers and manufacturers as a broker

at below a cost.

The broker maintains his own office pays all out

head and only paid brokerage or finished business.

There are times when broker has worked hard on an order and spent time and money to

finally receive word from his principle that

he lost out some competitor took the business

below our price and maybe at a loss.

This is only one of the many angles of the business

there are many more why a broker is necessary as a direct representative for packers otherwise

he would be obliged to maintain a sales force when expense is going every day whether there is any

business or not. Packers and manufacturers are more in need of a good reliable broker today than ever before.

The brokers service is worth more to them on account of
1. What type canner works through you?
   (a) Nationally advertised ___________ No ___________
   (b) Larger canners but not advertized ___________ Yes ___________
   (c) Small and unknown canner. ___________ Yes ___________

   Through whom is the greatest volume done? a, b, or c. Yes

2. Do you represent one canner alone or several? Several
   (a) If several are they competitive? Yes

3. Does the packer set quotas for you? ___________ No ___________
   If so, is there any incentive to reach the quota other than commission ___________

4. Does the packer restrict you to definite territories? ___________ No ___________
   To his product alone? ___________ No ___________

5. With whom do you do most of your business?
   (a) Large Chains ___________ V ___________
   (b) Wholesale Grocers ___________ V ___________
   (c) Bakers' Supply ___________ V ___________
   (d) Retailers ___________ Do Not Sell ___________
   (e) Hotel Supplies ___________ Do Not Sell ___________

6. What services do you furnish the, (List)

   Buyer
   Purchasing about Stock on Land - Crop and packing prospects
   and securing prospects services by securing samples and prices from competition
   sources, securing for him at one hearing offerings from many sources.

   Packer
   Constant representation of his product. Keep him in touch with the buyers - what their wants are before and after packing seasons. Help him to secure the business before packing so he will pack in such size, container as may most readily be sold. Keep him posted of market conditions, carry on stocks and help him regulate his pack as to size.
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased _____  Unchanged _____  Decreased Yes

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased _____  Unchanged _____  Decreased Yes

9. Do you find that there is any unjust discrimination against you?
   
   (a) On part of packer? ______
       (b) On part of buyer's associations? Yes

Remarks:

> Packers prefer to market their products thru brokers. Some of the large chain grocers especially the largest insist on direct packer connections and exact from the packer the brokerage in some cases at greater percentages than ever paid the broker. Their attitude is to eliminate the broker by refusing to do business with them on any basis, and to eliminate the packer who has tried doing business with their brokers. Their buying power is so large they can and do dictate price and terms to the packer. Their distribution so wide they have practically eliminated the wholesale grocer, and the independent retail grocers, so their competition is lessened each succeeding year which leads to more power and more drastic demands on their part each succeeding year.
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertized
   (c) Small and unknown canner.

   Through whom is the greatest volume done? a, b, or c. B

2. Do you represent one canner alone or several? General
   (a) If several are they competitive? yes

3. Does the packer set quotas for you? yes
   If so, is there any incentive to reach the quota other than commission?

4. Does the packer restrict you to definite territories? yes
   To his product alone? yes

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   competitive information
   crop and packing statistics
   general market information

   Packer
   local conditions
   attitude of buyers
   stocks on hand
   possibility of sale
7. How has the decline in the number of wholesale grocers affected your business?
   Increased [ ] Unchanged [ ] Decreased [ X ]

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased [ ] Unchanged [ X ] Decreased [ ]

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? [X]
   (b) On part of buyer's associations? [X]

Remarks:

From opinion the services of Brokers are more in demand today than in past due to Packers need for economical sales service.

PEDIN BROKERAGE CO., INC.

By [Signature]

(formerly Pedin-Atchley & Co.)
1. What type canner works through you?
   (a) Nationally advertized Yes
   (b) Larger canners but not advertized Yes
   (c) Small and unknown canner. Yes

   Through whom is the greatest volume done? a, b, or c. A

2. Do you represent one canner alone or several? A and B one only - C several
   (a) If several are they competitive? C yes.

3. Does the packer set quotas for you? Yes
   If so, is there any incentive to reach the quota other than commission No

4. Does the packer restrict you to definite territories? Yes
   To his product alone? Yes

5. With whom do you do most of your business?
   (a) Large Chains 50
   (b) Wholesale Grocers 40
   (c) Bakers' Supply 10
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   __________________________
   __________________________
   __________________________
   __________________________
   __________________________
   __________________________

   Packer
   __________________________
   __________________________
   __________________________
   __________________________
   __________________________
   __________________________

   Note Attached.
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased _____  Unchanged X  Decreased _____

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased _____  Unchanged X  Decreased _____

9. Do you find that there is any unjust discrimination against you?
   
   (a) On part of packer? Yes, in a few cases.

   (b) On part of buyer's associations? Yes, in a few cases.

Remarks:
WHYFORS


2. Branch offices located in all statistical cities, with full knowledge as to the dividing line in New England in regards to the 80% and the 20% of the New England population.

3. Their ever-increasing volume of business expresses the confidence the New England trade has in the House of Bentley and in their representation.

4. The average age of the sales staff and executives is at the present time 38. The average length of service of the representatives is 14 years. A young organization with good long years of service.

5. We give our manufacturer a complete and intelligent survey of New England in 48 hours time—obtained by direct contact with the trade.

6. We can, through our files, show the manufacturers we represent what each and every customer is purchasing, week by week, giving the correct name of that customer, address, and buyer's name.

7. We are equipped with a sales organization in the field that shows a tremendous amount of training and perseverance, a sales organization that is equipped to handle any situation, proven by actual results.

8. Handling a limited number of accounts, practically all nationally advertised.

9. Being able to give the proper time and attention, both by executives and salesmen, to each account.

10. Knowledge of modern merchandising and advertising which is, to those we represent, a bureau of information that they can procure nowhere else in New England.
11. Having represented national advertising concerns for a good many years, which we have studied and made successful, thereby having a knowledge of the New England market, knowing what will produce and what will not produce.

12. Managing salesmen live in each trading center, having a personal knowledge of the customers, knowing what each customer can do and will do in regard to featuring and selling manufacturers' products.

13. Knowing those customers in each section that are not able, due to their organization, to produce the best results for the manufacturers, thereby saving the manufacturers tremendous non-producing expenditure.

14. Having represented national manufacturers, knowing the ins and outs of spoiled goods, cost of return, shipping, etc., which advice, in this case, saves manufacturer many, many dollars.

15. Every direct customer being called upon personally at least once a week, excepting in northern Vermont, New Hampshire and Maine.

16. Being able to follow the manufacturer's goods not only through the direct customers, but to the retail trade and to the consumer, by means of our man-power.

17. The fact that we have represented many national manufacturers for a number of years proves an asset to those manufacturers that we have lately taken on, after careful study of our organization by them, and likewise our studying of their proposition and situation.

18. Not a one man organization, incorporated and established since 1885, having represented concerns such as Borden, Bon Ami, and Puddine for over a quarter of a century, not losing any important account, but gaining those few we wish from time to time and these only as our organization grows.
1. What type canner works through you?
   (a) Nationally advertised Yes and also others.
   (b) Larger canners but not advertised Yes
   (c) Small and unknown canner. Yes

Through whom is the greatest volume done? a, b, or c A

2. Do you represent one canner alone or several? Several
   (a) If several are they competitive? Yes

3. Does the packer set quotas for you? Sometimes but not often
   If so, is there any incentive to reach the quota other than
   commission quotas usually being increased brokerage on increased sales

4. Does the packer restrict you to definite territories? Majority do not all
   To his product alone? Yes

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

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<th>Buyer</th>
<th>Packer</th>
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7. How has the decline in the number of wholesale grocers affected your business?
   - Increased ______
   - Unchanged ______
   - Decreased ______

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   - Increased ______
   - Unchanged ______
   - Decreased ______

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer?  **No**
   (b) On part of buyer's associations?  **Yes**

Remarks:

P. B. BRITTINGHAM
INCORPORATED
NORFOLK, VIRGINIA
Massachusetts Ins.of Technology.,

Yours of the 16th inst at hand, with enclosures, which I have carefully read.

I am sure, if I were in a position to do so, I would cheerfully give you the information you ask for, but as far as my business is concerned, I am only a little fellow in a big puddle, having been in the Food Brokerage business only a short time. My former business was packing sweet corn (Maine Corn) as a member of H.F.Webb Company (now out of business) for some 35 years.

I really have not had the experience in the brokerage business to answer your questions. I would refer you to E.H.Lehan or J.J.Hughes of this city. These men have been in the brokerage business for many years and I feel sure, can give you the information you ask for.

Yours truly,

James W. Lanigan.
Messrs. Coffey & Taylor  
Cambridge, Mass.

Gentlemen:-

Yours 18th received, and I am indeed interested in what you are doing as indicated in your letter. I have answered as best I could in the limited space provided, some of your questions, but like most questionnaires, the form you have provided will not cover a proposition where a reply must necessarily be qualified in half a dozen different ways to cover the question properly.

I might offer a suggestion as regards question #5 and that is that the broker who sells a Wholesale Grocer if he knows when he is well off will not attempt also to sell retailers. Some brokers try to play the game at both ends and the middle, and our observation is that the fellow who is known as a broker who follows up retailers, as a rule has very little following among the Wholesale dealers.

Your question #6 regarding service would be a very lengthy one to answer because the broker who really serves functions in such a broad way that it is pretty hard to tell where his service begins and where it ends. His service to the buyer consists of assembling for him and at considerable work and expense, much information as to the world's markets. He gets his information from very many sources and this information in turn is passed on to his buyers.

When he functions as a buyer for his buyer he renders that buyer a technical knowledge of the lines in which he specializes, a knowledge both as to variety (where grown), grading, crop and condition of the merchandise bought. In other words, he should be, (and usually is) a better judge of quality, etc. than the average Wholesale buyer. You probably wonder why. The answer is simply because he specializes in comparatively few lines, perhaps not over half a dozen, whereas the buyer for a Wholesale Grocer must divide his attention among perhaps several thousand different items.

The broker who functions properly will not permit his buyer to over-buy thus carrying stock over from one season to the next, over-lapping the crops etc. Neither will he allow his buyer to over-buy on a market flurry because of bull propaganda when he knows per-
effectively well that the primary markets are abundantly stocked if not over-stocked. He must also know how to protect his buyer with a proper form of buying agreement or contract which is water-tight and bullet-proof against any contingencies which may arise.

Again, very frequently a broker, through his technical knowledge of his lines also his personal acquaintance with his shippers, his familiarity with trade customs, rulings by the Department of Agriculture and other information, is called in frequently in an emergency as an advisor or possibly to write or suggest the writing of a letter.

Again, when the buyer gets in trouble of some sort through a delivery of inferior quality, the broker is almost invariably the first man to be called in the picture to get the thing straightened out, and to boil the whole thing down to a few words, his value to the buyer depends entirely upon the efficiency of his service, and this naturally is governed not only by the broker's willingness but by his knowledge of his business and his experience in the lines in which he specializes.

So far as service to the packer is concerned, we consider that a broker who conscientiously represents his packer is the most economical method yet devised covering sales, because the broker gets paid only for actual results accomplished, whereas a salesman must be paid his salary whether he produces results or not. Brokerage can be figured as a fixed sales expense whereas a salesman's salary must be paid even though the salesman runs into weeks or months of poor business.

If you will simply reverse the services referred to above, services rendered to the buyer, you will have the services which must of necessity be also rendered to the packer, that of general advisor in case service is needed.

In our above remarks, we are of course talking about the high-class, genuine Food Broker who renders a real service to both buyer and seller and not the recently discharged bookkeeper for a lumber yard or some salesman who spent his life selling shoes or neckties.

As to your questions #8 and #9. These questions are entirely
Messrs. Coffey & Taylor  
Pg. #3  
April 20, 1932.

too complicated for me to attempt any reply whatever. If there is any unjust discrimination or if the broker has suffered through conditions which your questions indicate-, (and we believe they have), I might suggest that it might be highly interesting to you should you write and get a copy of the rules recently sent out by the Federal Trade Commission governing the trade practices in the Food business. Possibly if you will write a letter to Mr. Paul Fishback, Secretary of the National Food Brokers Association, 644 East Maple Road, Indianapolis, Indiana, Mr. Fishback will be very glad to mail you a copy of these rules.

Hope I have not gone into too much detail, and if I am not out of order, when you gentlemen have concluded your survey of "the status, present and future of the Food Broker," I wonder if you will be good enough to let me have a look at it. I am sure that the result of the information you are assembling would be most interesting.

If what I have written you is of any service, I shall feel very much pleased.

Very truly yours,

PRINCE, KEELER & CO.

LAC:ES
DICT. 4/19/32

May I ask who referred you to me?
1. What type canner works through you?
   (a) Nationally advertized  No.
   (b) Larger canners but not advertized  Yes
   (c) Small and unknown canner.  Yes

   Through whom is the greatest volume done? a,b, or c  A

2. Do you represent one canner alone or several?  Usually
   (a) If several are they competitive?  Yes & No - different

3. Does the packer set quotas for you?  No. Must sell Saturday volume/
   If so, is there any incentive to reach the quota other than
   commission  No

4. Does the packer restrict you to definite territories?  Yes
   To his product alone?  Usually

5. With whom do you do most of your business?
   (a) Large Chains  V
   (b) Wholesale Grocers  V
   (c) Bakers' Supply  V
   (d) Retailers
   (e) Hotel Supplies  V

6. What services do you furnish the, (List)
   Buyer  Packer
   [Signatures]
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____  Unchanged _____  Decreased Yes

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____  Unchanged _____  Decreased _____

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? ______
   (b) On part of buyer's associations? ______

Remarks:
1. What type canner works through you?
   (a) Nationally advertised ________ No ________
   (b) Larger canners but not advertised ________ Yes ________
   (c) Small and unknown canner ________ Yes ________

   Through whom is the greatest volume done? a, b, or c ________

2. Do you represent one canner alone or several? ________ Several ________
   (a) If several are they competitive? ________ No ________

3. Does the packer set quotas for you? ________ No ________
   If so, is there any incentive to reach the quota other than commission ________

4. Does the packer restrict you to definite territories? ________ Yes ________
   To his product alone? ________ No ________

5. With whom do you do most of your business?
   (a) Large Chains ________ 2nd ________
   (b) Wholesale Grocers ________ 3rd ________
   (c) Bakers' Supply ________ 4th ________
   (d) Retailers ________ 5th ________
   (e) Hotel Supplies ________ 6th ________

6. What services do you furnish the, (List)

   Buyer ________
   Packer Missionary Work ________

   T. Harry King, Washington, D.C.
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____ Unchanged _____ Decreased **Yes**

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____ Unchanged _____ Decreased **Yes**

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? **No**
   (b) On part of buyer's associations? **No**

Remarks:
1. What type canner works through you?
   (a) Nationally advertised ______ Yes
   (b) Larger canners but not advertized ______ Yes
   (c) Small and unknown canner ______

   Through whom is the greatest volume done? a, b, or c. ______

2. Do you represent one canner alone or several? ______ Several
   (a) If several are they competitive? ______ No

3. Does the packer set quotas for you? ______ No.
   If so, is there any incentive to reach the quota other than commission ______ Yes. Bid is accomplishment

4. Does the packer restrict you to definite territories? ______ Yes
   To his product alone? ______

5. With whom do you do most of your business?
   (a) Large Chains ______
   (b) Wholesale Grocers ______
   (c) Bakers' Supply ______
   (d) Retailers ______
   (e) Hotel Supplies ______

6. What services do you furnish the, (List)

Buyer
Market Conditions ______
Advertising ______
Promotion ______

Packer
Complete Cases ______
Advertising Work ______
For Packer Written ______
The ease of Return ______
Initiative ______
7. How has the decline in the number of wholesale grocers affected your business? **Increased**  Unchanged  Decreased

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?  **Increased**  Unchanged  Decreased

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer?  **No**
   (b) On part of buyer's associations?  **No**

Remarks: [Signature]
Massachusetts Institute of Technology, Cambridge, Massachusetts.

Gentlemen:

You letter of the 18th inst., received. Regret to advise that your questionnaire has been lost. Please send duplicate to us.

It looks as though the status of all individual owned business is anything but favorable. Under our present system of control by big business the wholesaler too is practically eliminated as his customers are few and make no profit. Perhaps the vicious circle has already starved out all the profit. No factor seems to be immune - including the broker or salesman.

Very truly yours,

MORRIS KELLER & COMPANY

April 25th, 1932.

MK:CB
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertised
   (c) Small and unknown canner.

   Through whom is the greatest volume done? a, b, or c.

2. Do you represent one canner alone or several?
   (a) If several are they competitive?

3. Does the packer set quotas for you? No

   If so, is there any incentive to reach the quota other than commission

4. Does the packer restrict you to definite territories? No
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   Responsible for
   Source

   Packer
   Sell his products
   to good trade
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased ____  Unchanged ____  Decreased __ [Marked] 

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased ____  Unchanged ____  Decreased __ [Marked] 

   We do not split brokerage.

9. Do you find that there is any unjust discrimination against you?
   
   (a) On part of packer? __ No, by going direct. 
   (b) On part of buyer's associations? ____ Yes, because __.

   Remarks:
   
   We operate a packers' sales agency, quoting entirely through associate brokers throughout the United States, with whom we split our earnings. We do not sell any trade including wholesale grocers or chain stores direct; everything is done through an associate broker. For that reason, the buyers' associations are not favorable toward us and occasionally we find a packer who is willing to slip out and do a little underhanded work through buyers that solicit split brokerage.
1. What type canner works through you?
   (a) Nationally advertised
   (b) Larger canners but not advertized
   (c) Small and unknown canner.

   Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several?
   (a) If several are they competitive?

3. Does the packer set quotas for you?
   If so, is there any incentive to reach the quota other than commission

4. Does the packer restrict you to definite territories?
   To his product alone?

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)
   Buyer
   Packer

   Salesmen
   Bulletin
   Telephone
   Telegram
   Everything possible
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _____ Unchanged _____ Decreased Yes

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _____ Unchanged _____ Decreased Yes

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? Yes
   (b) On part of buyer's associations? Many

Remarks:
1. What type canner works through you?
   (a) Nationally advertised _____________________________
   (b) Larger canners but not advertized ✓
   (c) Small and unknown canner. _____________________________

Through whom is the greatest volume done? a, b, or c

2. Do you represent one canner alone or several? Several
   (a) If several are they competitive? Yes

3. Does the packer set quotas for you? No
   If so, is there any incentive to reach the quota other than commission

4. Does the packer restrict you to definite territories? No
   To his product alone? No

5. With whom do you do most of your business?
   (a) Large Chains
   (b) Wholesale Grocers ✓
   (c) Bakers' Supply
   (d) Retailers
   (e) Hotel Supplies

6. What services do you furnish the, (List)

   Buyer
   [List of services]

   Packer
   [List of services]
7. How has the decline in the number of wholesale grocers affected your business?
   
   Increased   Unchanged   Decreased √

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   
   Increased   Unchanged √   Decreased

9. Do you find that there is any unjust discrimination against you?
   (a) On part of packer? √
   (b) On part of buyer's associations? √

Remarks:

[Signature]

Philadelphia: [Date]
1. What type canner works through you?
   (a) Nationally advertised ________________________
   (b) Larger canners but not advertized ______ X _______
   (c) Small and unknown canner. _______________________

   Through whom is the greatest volume done? a, b, or c (B)

2. Do you represent one canner alone or several? ______ Several _______
   (a) If several are they competitive? ______ No. _______

3. Does the packer set quotas for you? ______ No _______
   If so, is there any incentive to reach the quota other than commission ______

4. Does the packer restrict you to definite territories? ______ Yes _______
   To his product alone? ______ Yes _______

5. With whom do you do most of your business?
   (a) Large Chains ______ X _______
   (b) Wholesale Grocers ______ X _______
   (c) Bakers' Supply _______________
   (d) Retailers _______________
   (e) Hotel Supplies _______________

6. What services do you furnish the, (List)

   Buyer                        Packer
   Keeping him posted            Getting orders on commission basis
   In case of trouble as to quality
   etc. take care of his interests

   ____________________________________________
   ____________________________________________
7. How has the decline in the number of wholesale grocers affected your business?
   Increased _______ Unchanged _______ Decreased X

8. How have the activities of Cooperative wholesale and retail buyer's associations as well as packer's associations affected the volume of your business?
   Increased _______ Unchanged X Decreased _______

Remarks:

The wholesale grocer did not keep up with the times; with the buying organizations and the chain stores it has naturally taken away their business.

Most every large wholesale grocer has a label of his own; he still is under the impression that he can put anything under that label and the public should buy it, still this is an un-advertised label; the average wholesale grocery house wants 15% profit on advertised articles, which the buying organization and chain store have cut down.
APPENDIX - C.

BUYERS QUESTIONNAIRE.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker ________________
   (b) Through Canners Salesmen ________________
   (c) Direct through the canner by mail, telegraph, etc? ____

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? ______ (Check)
   (b) Small lots through broker or direct? ______
   (c) Job lots through brokers or direct? ______

3. If you use the merchandise broker, how long have you been using him? ________________
   (a) What is your main reason for using him?
      ✓ Convenient ______
      ✓ Market Information ______
      Credit Extensions ______
      Others ______

4. If you do not use the Merchandise broker now, have you ever used him? _________________________
   (a) Why did you dispense with his services _________________________

5. If you buy direct do you insist that the canner credit you with the broker's commission? F________

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? __________
7. (a) What in your opinion are the advantages of using the Food Broker?

Close contact with many offerings from different packers. Adjustment of any controversy which may arise.

(b) Disadvantages

Remarks: S. S. Sine Co.
1. How do you buy your goods? (Please number according to volume i.e.; #1 is largest etc.)
   (a) Through Food Broker ____________
   (b) Through Canners Salesmen ____________
   (c) Direct through the canner by mail, telegraph, etc._

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? ______ (Check)
   (b) Small lots through broker or direct? ______
   (c) Job lots through brokers or direct? ______

3. If you use the merchandise broker, how long have you been using him?

   (a) What is your main reason for using him?
      Convenient /
      Market Information /
      Credit Extensions ______
      Others ______

4. If you do not use the Merchandise broker now, have you ever used him?

   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission? _Always possible_

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? _We hope to keep ahead_
7. (a) What in your opinion are the advantages of using the Food Broker?

The function of specialization in one line - familiarity with quality sources of supply & specific market conditions.

(b) Disadvantages: Necessity of paying the commission - a vital factor in a business that costs lives.

Remarks:
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker ______ ENTIRE
   (b) Through Canners Salesmen ______________
   (c) Direct through the canner by mail, telegraph, etc?____

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? BROKER (Check)
   (b) Small lots through broker or direct? BROKER
   (c) Job lots through brokers or direct? BROKER

3. If you use the merchandise broker, how long have you been using him? ALWAYS
   (a) What is your main reason for using him?
      Convenient ______
      Market Information ______
      Credit Extensions ______
      As a witness to the quality of merchandise
      Others offered and covered by samples cut.

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission?

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? We think so. In addition we receive circulars direct from some Cannons, also trade publications.
7. (a) What in your opinion are the advantages of using the Food Broker? 

(b) Disadvantages

(a) He collects 2½% brokerage which must of necessity be added to the purchase price.

(b) If a broker is indiscreet he may reveal to a jobber the confidential purchases of another. This of course should never occur but in some cases undoubtedly does.
ADVANTAGES

#7 (a) The broker is a witness to the quality of the merchandise as shown by representative samples.

(b) He probably has had some past dealings with the particular Canner involved.

(c) He often can locate special merchandise that would otherwise be impossible to find.

(d) He can settle a dispute between a jobber and a distant canner by a personal interview that would be impossible to conclude by mail.

(e) It is often possible to buy lower than the general market when buying through a broker. A Canner liquidating does not broadcast his offerings since this would allow his competitor to meet the price if so inclined. He offers his merchandise secretly through a broker realizing that the broker will know where to place the goods. This has been especially true during the last year when forced liquidation has taken place on a large scale.

(f) In case of a rejection he is on hand to store or dispose of the merchandise.

(g) He often consolidates less than carload orders into pool cars effecting savings in freight that more than covers his brokerage.

(h) He is familiar with the financial responsibility of the buyers and can advise the packer as to the best method of shipping, open; draft against documents etc.

(i) New products can be introduced by a broker that would otherwise receive scant attention.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker
   (b) Through Canners Salesmen
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? ✓ (Check)
   (b) Small lots through broker or direct?
   (c) Job lots through brokers or direct?

3. If you use the merchandise broker, how long have you been using him?
   (a) What is your main reason for using him?
      Convenient ✓
      Market Information ✓
      Credit Extensions
      Others

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission?
   ✓

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   ✓
7. (a) What in your opinion are the advantages of using the Food Broker? The only advantage really is the fact you can deal with one broker and buy several commodities from the one salesperson, minimizing the time necessary to buy these various commodities.

(b) Disadvantages None other than the loss of one or 2% brokerage fees.

Remarks:
Messrs. Coffey & Taylor,
Mass. Institute of Technology,
Cambridge, Mass.

Gentlemen:

Your letter of the 18th acknowledged. The writer is only too pleased to give you the benefit of his experience, although our business in the past year with brokers has been as large or extensive as it was previous to that time.

About a year ago we became members of the Clover Farm Stores of Cleveland who are a voluntary chain and conduct their own brokerage office under the name of Lane-Lease Co. Under this arrangement we are buying more and more of our requirements thru Lane-Lease Co. inasmuch as we receive part of the brokerage which this concern receives from the packer or canner. For your information the Lane-Lease Co. retain 1% of the brokerage for overhead and incidentals.

Therefore, in answering your questions the writer is doing so on the basis of experience and conditions as they existed before the United Wholesale Grocery Co. became members of the Clover Farm organization.

Very truly yours,

THE CLOVER FARM STORES Co.

JOSEPH S. LISZENBERG.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   
   (a) Through Food Broker  __Yes__________
   (b) Through Canners Salesmen  Occasionally
   (c) Direct through the canner by mail, telegraph, etc?  Both

2. Do the quantities which you buy, influence you in any way, that is, do you buy Yes
   
   (a) Large lots through broker or direct?  When to our advantage
   
   (b) Small lots through broker or direct?  __ Broker__
   
   (c) Job lots through brokers or direct?  __Broker__

3. If you use the merchandise broker, how long have you been using him?  __From time to time__
   
   (a) What is your main reason for using him?
   
   Convenient  Yes
   Market Information  Yes
   Credit Extensions  No
   Others  Attractive buys

4. If you do not use the Merchandise broker now, have you ever used him?

   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker’s commission?  Yes

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   
   Yes—because we have numerous sources of information—Journal of Commerce—Market reports and notices from Canners and Brokers.
7. (a) What in your opinion are the advantages of using the Food Broker? Marketing information—improved service—assistance to adjust claims in case of poor merchandise.

(b) Disadvantages Take up considerable time—in numerous instances are not necessary and only add to the cost of the manufacturer's overhead.

Remarks: In the writer's opinion the brokerage business like the wholesale grocery business is experiencing numerous problems and changes. Due to the fact that numerous wholesale grocers are joining voluntary chain associations the independent broker is in numerous instances being eliminated. Due to the competitive conditions existing and the fact that Canners and Packers do not seem to get sufficient volume from brokers, a great many of these manufacturers solicit business direct. Although the writer feels that there will always be room for brokers the number will be limited. As the voluntary chain movement progresses and this is an absolutely certain condition based on available facts and figures there will be fewer brokers. On a check-up believe you will find that there are at least 25% less brokers in New England today than there was in 1930.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker 1
   (b) Through Canners Salesmen 2
   (c) Direct through the canner by mail, telegraph, etc. 3

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? Both (Check)
   (b) Small lots through broker or direct? Both
   (c) Job lots through brokers or direct? Broker

3. If you use the merchandise broker, how long have you been using him? 30 Years
   (a) What is your main reason for using him?
      Convenient Yes
      Market Information Yes
      Credit Extensions No
      Others

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission? No

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   Yes  Satisfied with posting & from lead news in the newspapers & trade journals
7. (a) What in your opinion are the advantages of using the Food Broker? Personal contact gives us better postings & better deals. If there are no brokers we would be obliged to either do business by mail or by personal calls on the manufacturer or carrier.

(b) Disadvantages

Remarks: We find better contact thru the Food Broker. He has many different accounts whom he represents consequently a more diversified list of offerings from which we can choose at an advantage. Where 2 or 3 good lots are bought he offers good case in different colors in same locality in order to obtain the rate of freight.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker 3
   (b) Through Canners Salesmen 2
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? (Check)
   (b) Small lots through broker or direct?
   (c) Job lots through brokers or direct?

3. If you use the merchandise broker, how long have you been using him? ______
   (a) What is your main reason for using him?
      Convenient
      Market Information
      Credit Extensions
      Others

4. If you do not use the Merchandise broker now, have you ever used him?

5. If you buy direct do you insist that the canner credit you with the broker's commission? X

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
7. (a) What in your opinion are the advantages of using the Food Broker?

Remarks:

(b) Disadvantages

Remarks:
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker 1
   (b) Through Canners Salesmen 2
   (c) Direct through the canner by mail, telegraph, etc? 3

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? Check 1
   (b) Small lots through broker or direct? Check 2
   (c) Job lots through brokers or direct?  

3. If you use the merchandise broker, how long have you been using him? We have bought through a number of  
   (a) What is your main reason for using him? Check Convenient  
       Market Information  
       Credit Extensions  
       Others  

4. If you do not use the Merchandise broker now, have you ever used him?  
   (a) Why did you dispense with his services  

5. If you buy direct do you insist that the canner credit you with the broker's commission? Yes in most cases.  

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? Yes in so far as we require it
7. (a) What in your opinion are the advantages of using the Food Broker? If he is financially sound and reliable and an attractive outlet to the parties - he can be of great value in holding the parties to good quality and delivery on contract.

(b) Disadvantages

None except that commodities cannot be passed of tenderers in the purchase of large lots.

Remarks: [signature]
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker ____________
   (b) Through Canners Salesmen ____________
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct?  |  (b) Small lots through broker or direct?  |  (c) Job lots through brokers or direct?
      ___ | ___ | ___
      (Check)

3. If you use the merchandise broker, how long have you been using him?
   (a) What is your main reason for using him?
      Convenient ___
      Market Information ___
      Credit Extensions ___
      Others ____________________

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission? ___
   ____________________________

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   ____________________________
7. (a) What in your opinion are the advantages of using the Food Broker? 

(b) Disadvantages

Remarks:

FRED G. SCHULZ
Wholesale and Retail Grocer
243 South Ave., Rochester, N.Y.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker ________ 1
   (b) Through Canners Salesmen ________ 3
   (c) Direct through the canner by mail, telegraph, etc? ________ 2

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? ___ (Check)
   (b) Small lots through broker or direct? ___
   (c) Job lots through brokers or direct? ___

3. If you use the merchandise broker, how long have you been using him? __________________________
   (a) What is your main reason for using him?
       Convenient ___
       Market Information ___
       Credit Extensions ________
       Others __________________

4. If you do not use the Merchandise broker now, have you ever used him? __________________________
   (a) Why did you dispense with his services __________________________

5. If you buy direct do you insist that the canner credit you with the broker's commission? ___

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? ___
7. (a) What in your opinion are the advantages of using the Food Broker?  Close Contact  Personal Touch

(b) Disadvantages  Extra Cost

Remarks:
1. How do you buy your goods? (Please number according to volume ie; 
#1 is largest etc.)
   (a) Through Food Broker  
   (b) Through Canners Salesmen 
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that 
is, do you buy
   (a) Large lots through broker or direct? (Check)
   (b) Small lots through broker or direct?
   (c) Job lots through brokers or direct?

3. If you use the merchandise broker, how long have you been using 
him?  
   (a) What is your main reason for using him?
       Convenient 
       Market Information 
       Credit Extensions 
       Others

4. If you do not use the Merchandise broker now, have you ever used 
him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with 
the broker's commission?

6. Does your method of buying keep you in constant touch with the 
market so that you have all the advantages of anticipated trends?
7. (a) What in your opinion are the advantages of using the Food Broker? 

Quality Canners have high grade Brokers who secure quality goods, one must buy through them.

(b) Disadvantages

Remarks:

For the last 2 years, the brokers have saved us 1000's of dollars by giving them advice and protecting them. They have been able to give buyers against price reductions and also in previous years, in advanced markets, they have supplied in a great measure, the information. As they represent the high grade packers, they have been able to make decisions through them, that has made it possible to always be in a favorable position with them.

There are 2 kinds of brokers - Good and poor. We do our business with the good. The market is crowded with the latter kind.

E. S. Hall Co.

Wish you luck. I went to Harvard. Any thing I can help you with - let me know.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker 
   (b) Through Canners Salesmen 
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct?
   (b) Small lots through broker or direct?
   (c) Job lots through brokers or direct?

3. If you use the merchandise broker, how long have you been using him?

   (a) What is your main reason for using him?
       Convenient 
       Market Information 
       Credit Extensions 
       Others Reliability

4. If you do not use the Merchandise broker now, have you ever used him?

   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission?

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   Yes
7. (a) What in your opinion are the advantages of using the Food Broker? Service

(b) Disadvantages

Remarks:
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker [ ]
   (b) Through Canners Salesmen [ ]
   (c) Direct through the canner by mail, telegraph, etc? [ ]

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? [ ] (Check)
   (b) Small lots through broker or direct? [ ]
   (c) Job lots through brokers or direct? [ ]

3. If you use the merchandise broker, how long have you been using him? [ ]
   (a) What is your main reason for using him?
       Convenient [ ]
       Market Information [ ]
       Credit Extensions [ ]
       Others [ ]

4. If you do not use the Merchandise broker now, have you ever used him? [ ]
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission? [ ]

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? [ ] Yes.
7. (a) What in your opinion are the advantages of using the Food Broker? __Saves time in shopping and obtain best results__

(b) Disadvantages __Don't know of any__

Remarks:
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker
   (b) Through Canners Salesmen
   (c) Direct through the canner by mail, telegraph, etc.

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? (Check)
   (b) Small lots through broker or direct?
   (c) Job lots through brokers or direct?

3. If you use the merchandise broker, how long have you been using him?
   (a) What is your main reason for using him?
      Convenient
      Market Information
      Credit Extensions
      Others

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission?

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
7. (a) What in your opinion are the advantages of using the "Food Broker?"

Advantages: First, the personal contact between us and the vendor makes it easier for the manufacturer in the food line to have a person represent the call on the store.

(b) Disadvantages

We believe there is more in the food line vendor relationship than just buying food.

Remarks: Because of this, the Food Broker is very successful.

[Signature]

A. Johnson

[Signature]

A. D. Smith
April 21, 1932.

Massachusetts Institute of Technology,
Cambridge, Massachusetts.

Attention Messrs Coffey and Taylor

Gentlemen:

With your permission, I am going to ignore your questionnaire in answering your letter of April 18th, and answer by a simple letter. Perhaps you can adjust it to your own questions better than I can.

Paragraph 1. We buy merchandise in any way that seems best suited for the occasion. Staple products are bought very largely through brokers. But it is to be remembered that in the majority of cases, at least, buying through brokers is buying direct. In some instances, especially canned goods, the packer himself comes to our office at least annually.

Paragraph 2. I would say quantities influence to some extent the method of buying. Of course small lots are, more often than not, bought of jobbers. However, some small lots may be bought through brokers as well.

Paragraph 3. I think there must be some brokers with whom we have done business for nearly forty years, which is the length of time we have been in business. Should say the main reason for using the broker is a matter of convenience. We do not need him for market information, nor for credit extension.

Paragraph 4. Answers itself by the above.
Paragraph 5. No, we do not insist on the canner allowing us broker's commission. But we insist on having him sell us at the lowest possible price.

Paragraph 6. Yes, I think our method of buying keeps us fully in touch with all angles of the market.

Paragraph 7. Has already been answered. I know of no disadvantages in using brokers.

I remain,

Very truly yours,

[Signature]

PRESIDENT.
1. How do you buy your goods? (Please number according to volume i.e.; #1 is largest etc.)
   (a) Through Food Broker ________ 50% __________
   (b) Through Canners Salesmen ________ 50% __________
   (c) Direct through the canner by mail, telegraph, etc? ______

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct?______(Check)
   (b) Small lots through broker or direct?_______
   (c) Job lots through brokers or direct? ______

3. If you use the merchandise broker, how long have you been using him?
   ________________________________
   (a) What is your main reason for using him?
   Convenient ______/ 
   Market Information ______
   Credit Extensions ______
   Others _______________________

4. If you do not use the Merchandise broker now, have you ever used him?
   ________________________________
   (a) Why did you dispense with his services
   ________________________________

5. If you buy direct do you insist that the canner credit you with the broker's commission? ______
   ________________________________

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
   Yes ________
7. (a) What in your opinion are the advantages of using the Food Broker? He brings opportunities to you

(b) Disadvantages

Remarks:
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker  
   (b) Through Canners Salesmen  
   (c) Direct through the canner by mail, telegraph, etc?

2. Do the quantities which you buy, influence you in any way, that is, do you buy:
   (a) Large lots through broker or direct? (Check)  
   (b) Small lots through broker or direct?  
   (c) Job lots through brokers or direct?  

3. If you use the merchandise broker, how long have you been using him? 
   (a) What is your main reason for using him?
      Convenient  
      Market Information  
      Credit Extensions  
      Others  

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services

5. If you buy direct do you insist that the canner credit you with the broker's commission?

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends?
Yes
7. (a) What in your opinion are the advantages of using the Food Broker? Closer Connections

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

(b) Disadvantages__________________________________________________________

_________________________________________________________________________
_________________________________________________________________________

Remarks:

P F. Urow Co.
Brockton, Mass.
1. How do you buy your goods? (Please number according to volume ie; #1 is largest etc.)
   (a) Through Food Broker ___________
   (b) Through Canners Salesmen ________
   (c) Direct through the canner by mail, telegraph, etc. __________

2. Do the quantities which you buy, influence you in any way, that is, do you buy
   (a) Large lots through broker or direct? __________
   (b) Small lots through broker or direct? __________
   (c) Job lots through brokers or direct? __________

3. If you use the merchandise broker, how long have you been using him? ________ years.
   (a) What is your main reason for using him?
      Convenient __________
      Market Information __________
      Credit Extensions __________
      Others __________

4. If you do not use the Merchandise broker now, have you ever used him?
   (a) Why did you dispense with his services
      Used general broker only 10% as much as 10 years ago.

5. If you buy direct do you insist that the canner credit you with the broker's commission? Yes, generally. Commission to run to own buying organization.

6. Does your method of buying keep you in constant touch with the market so that you have all the advantages of anticipated trends? Yes, with certain limitations.
7. (a) What in your opinion are the advantages of using the Food Broker? As we use our own buying organisation (IGA) we have discovered that very locally our former method of purchasing thru outside brokers.

(b) Disadvantages

Remarks:

It would appear to us that a good many food brokers will have to discontinue operations owing to the increasing number of wholesale grocers joining Coop. Voluntary chain movements.
APPENDIX D

Federal Trade Commission Rules

National Food Brokers Association
STATEMENT BY THE COMMISSION

TRADE PRACTICE CONFERENCE

GROCERY INDUSTRY

A Trade Practice Conference for the Grocery Industry was held at the Hotel Sherman, Chicago, Illinois, October 24, 1928, under the direction of Commissioner C. W. Hunt, of the Federal Trade Commission, assisted by M. Markham Flannery, Director of Trade Practice Conferences.

Over seven hundred (700) persons were in attendance. Eighty-five per cent (85%) of the brokers, eighty-five per cent (85%) of the wholesale grocers, and eighty per cent (80%) of the retail grocers were represented through associations and in person. No estimate could readily be obtained of the specialty manufacturers who were represented by associations and individuals. The chain stores did not actively participate in the conference, but a representative of the newly-organized Chain Store Association stated: "We are a new organization and represent but a very small fraction of the chain store industry, the organization having been formed only two weeks ago and succeeding an older organization which was even less representative of the industry than this one, and for that reason we do not feel that we should take part in this conference."

After a brief address by Commissioner Hunt, the Conference discussed and adopted eighteen resolutions dealing with various trade or business practices. The Commission, after consideration, has reworded some of these resolutions and has divided them into Group I and Group II. Those in Group I the Commission has approved and those in Group II the Commission has accepted as expressions of the trade.

The Commission has directed that notice be given that in referring to or quoting trade practice conference rules, the form in which they appear in the Commission's Official Statement be followed with reference to wording, grouping, numbering and lettering.
Rule 1.

The Commission substituted and approved the following for rule 1 (subdivision 2), Group I, as published January 16, 1929:

The secret payment or allowance of rebates, refunds, commissions, or unearned discounts, whether in the form of money or otherwise, or secretly extending to certain purchasers special services or privileges not extended to all purchasers under like terms and conditions, with the extent and with the effect of injuring a competitor and where the effect may be too substantially lessen competition or tend to create a monopoly or to unreasonably restrain trade, is an unfair trade practice.

Rule 2.

The Commission substituted and approved the following for rule 1 (subdivision 3), Group I, as published January 16, 1929:

Price discrimination in violation of Section 2 of the Clayton Act is an unfair trade practice.

Rule 3.

The Commission substituted and approved the following for rule 2, Group I, as published January 16, 1929:

The offering or giving of prizes, premiums or gifts in connection with the sale of grocery products, or as an inducement thereto, by any scheme which involves lottery, misrepresentation or fraud, is an unfair trade practice.

Rule 4.

The Commission substituted and approved the following for rule 3, Group I, as published January 16, 1929:

Commercial bribery is immoral and against the public interest and is an unfair trade practice.

Rule 5.

The Commission, with slight modification, approved rule 4, Group I, as published January 16, 1929, reading:

The making, causing or permitting to be made, or publishing, of any false, untrue, misleading or deceptive statement, by way of advertisement or otherwise, concerning the grade, quality, quantity, character, nature, origin, preparation or use of any grocery product is an unfair trade practice.

Rule 6.

The Commission, with slight modification, approved Rule 5, Group I, as published January 16, 1929, reading:

The use of deceptively slack-filled or deceptively shaped containers is an unfair trade practice.
Rule 7.

The Commission substituted and approved the following for rule 6, Group I, as published January 16, 1929:

Any joint trade action which purposes unlawfully to exclude any manufacturer, merchant or product from a market, or unlawfully to discriminate against any manufacturer, merchant or product in a market, whether by conspiracy, agreement, unjust and misleading propaganda for the purpose of influencing legislation, or other public action, is an unfair trade practice.

Rule 8.

The Commission substituted and approved the following for rule 7, Group I, as published January 16, 1929:

The selling of goods below cost for the purpose of injuring a competitor, and where the effect may be to substantially lessen competition, is an unfair trade practice.

GROUP II.

Rule A.

The Commission substituted and accepted the following for subdivision (1), rule 1, as published January 16, 1929:

(a) The industry approves the practice of each individual member of the industry independently publishing and circulating to the purchasing trade its own price lists.

(b) The industry approves the practice of making the terms of sale a part of all published price schedules.

Rule B.

The Commission substituted and accepted the following for rule 8, Group II, as published January 16, 1929:

Deceptive prices on certain temporarily selected brands of advertised food specialties or staple merchandise, in order to influence consumers, creates the false impression that competitors are exacting an unfair and unwarranted profit on all merchandise and is condemned by the industry.

Rule C.

The Commission accepted Rule 9, Group II, as published January 16, 1929, reading:

The abuse of buying power to force uneconomic or unjust terms of sale upon sellers, and the abuse of selling power to force uneconomic or unjust terms of sale upon buyers, is condemned by the industry.
Rule K.

The Commission substituted and accepted the following for Rule 18, Group II, as published January 16, 1929:

The industry recognizes as beneficial to the Grocery Trade the work of the duly qualified food broker, but condemns the practice of others than bona fide brokers acting in that capacity and receiving brokerage commissions.

Rule L.

The Commission substituted and accepted the following for rule 19, Group II, as published January 16, 1929:

A Committee on Trade Practices is hereby created to cooperate with the Federal Trade Commission and to perform such acts as may be proper to put these rules into effect.

By direction of the Commission:

Otis B. Johnson,
Secretary.
Gentlemen:

Your letter of April 26th contained a rather large order but I am inclined to think that the subject matter which I am sending you today under separate cover by first class mail will give you quite a little of the information you desire. Rather than to go into any detailed discussion of the general question of the food broker and his functions, I believe it to be wiser to let you read through that which I have sent you and then if it leaves specific questions unanswered, feel free to write and ask the questions as a definite lead for the information I may be able to give you.

In your letter I feel that I have found a typographical error because you ask to know if food brokers have been increasing or decreasing in numbers in the past ten days. I feel sure that you mean the past ten years.

I do not have data extending as far back as ten years but I can go back as far as 1924. The Thomas Grocery Register, published by the Thomas Register Company of New York City and containing the most complete and accurate list of wholesale grocers, chain store operators and food brokers known indicates that in 1924 there were 3,525 food brokers. This figure changes as follows: 1925, 3,566; 1926, 3,337; 1927, 3,188; 1928, 3,153; 1929, 3,081; 1930, 3,049; 1931, 3,003. The 1932 Register has not yet been published.

The decrease in 1924 to date is healthy and is to a large extent accounted for by the merger or consolidations of two or more broker firms in a market. Stability seems to have been reached, approximately, during the past three years where the shrinkage is more or less nominal.
The rules of the Grocery Trade resulting from the conference held under the auspices of the Federal Trade Commission should be interesting to you as a matter of comparison. In the booklet entitled "Proceedings of the Second Meeting of the Grocery Trade Practice Conference" you will find the original rules as promulgated in January 1929. The current rules accompanied our bulletin of April 1st and copy of the bulletin with the rules is enclosed.

Do not hesitate to ask specific questions if there are further points that you desire to have covered.

Yours very truly,

[Signature]

Secretary.
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