

vailing demand; they must be stored until they are bought and removed; they must be financed. The question is, Who shall perform these functions? Who can perform them most economically?

We could answer this question intelligently if we could forget for a while history, economics and the huge volume of argument with which the subject has been clouded. Let us forget the words manufacturer, wholesaler, retailer. Let us try to see these functions of distribution abstractly, without prejudice, without personal interest. And if we concentrate on the idea for one minute we shall come to the startling conclusion that those who perform these functions most economically are those who perform them most economically. That is really a revolutionary idea.

It means that a concern can perform these functions most economically regardless of what it calls itself—if it is efficiently conducted, if it performs its functions conscientiously, carefully controls costs and gives a reasonable service for a reasonable return.

These essential functions cannot be performed more economically by a manufacturer or a retailer than by a wholesaler if the wholesaler is efficient. And efficient manufacturer or an efficient group of retailers can perform them more economically than an inefficient wholesaler. But in order to perform the traditional functions of the wholesaler, the manufacturers or retailers must in effect become wholesalers. And unless they are willing to give up their manufacturing or retailing profits in order to play at wholesaling for nothing, then they must add a wholesaling factor to the cost of distribution.

This simple—and very difficult—idea also means that nobody, whether he calls himself manufacturer, jobber, agent, wholesaler, broker or retailer, has any rights or privileges regarding these functions. There is nothing in the Ten Commandments or the Constitution of the United States which says who is to perform which functions of distribution. And no legislation on earth, devised by the cleverest lawyers or passed by the most inspired oratory and backed by the most profound economic research, can legally determine how these functions shall be divided.

That is why one of the saddest spectacles in American business life is that of one group of business men trying to lobby through legislation which would put another group out of busi-