

# THE DEPARTMENT OF THE AMERICAN ASSOCIATION OF COLLEGES OF PHARMACY

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DEPARTMENT.

*Editor's Note:* The following paper on 'Effect of NRA Codes on Retail Trade' by an economist as well known as Mr. Wroe Alderson is sure to command attention. Your Editor can only urge that it be read with thoughtful care.—C. B. JORDAN, *Editor*.

## EFFECT OF NRA CODES ON RETAIL TRADE.

BY WROE ALDERSON.

In considering the broad problem of the effect of NRA codes on retail trade there are five major aspects of the problem which may be considered. These are:

- The volume of retail business done
- The morale of retailers and their support of the Recovery Program
- The competitive position of classes of retailers
- The bargaining position of retailers and their suppliers
- The efficiency of retail distribution.

In so far as the activity of retail trade might be increased by the Recovery Program, it would mean nothing more, of course, than a reflection of the improvement in business as a whole. This is aside from such general considerations as the relative improvement in consumer goods industries and capital goods industries. Looked upon as a symptom of recovery, the volume of retail trade has not shown a particularly encouraging trend.

The Bureau of Foreign and Domestic Commerce has been compiling several series to indicate the trend of retail trade for several lines. Reports now available for the first three months of this year show a general increase in volume of retail business over the same three months of last year. This is particularly marked in what is called the Rural Store Index. This increase may result from the payments that have been made to various classes of farmers under the Agricultural Adjustment Program and to various other disbursements of relief funds in the rural areas. The second greatest increase is in the case of automobiles. The indications here point to a really fundamental increase in wide-spread purchasing among persons of moderate means. Number of units purchased has increased much more than total volume of sales, indicating that a trend toward the more popular priced car. At the same time automobile financing has increased more than either units or volume, which will undoubtedly be characteristic of an increase in automobile purchase among classes of moderate income.

In other lines covered increases in value have been more than offset by increases in the retail price level. In other words, there has apparently been fewer physical units of goods sold at retail rather than a greater number. This may not mean that the total consumption of goods has actually been less since the various relief agencies have not used the existing channels of distribution in handling all commodities distributed on a relief basis.