than selling tangible property, it should be coded according to the principal retail trade sideline.

General knowledge of retail trade practices helps us to interpret data on the basis of the type of enterprise in which it was sold. While a vendor of packaged liquor in California frequently sells soft drinks and limes, it is known that his sales are usually so overwhelmingly in liquor that little doubt can be exercised. While grocers often sell wines and beers and nonedible merchandise, the great bulk of sales are of food, and the housewife usually classes under groceries all those things she gets at a grocery store. Some classes are less satisfactory—a general merchandise store may sell almost anything the local people require, from baby bottles to caskets. Within the broad categories used in the present study, this source of error is not very significant.

The fundamental procedure for extracting the data is simple. The account folders of all permittees with active accounts were withdrawn from the files, for each community, by class of enterprise. In this way the total number of enterprises subjected to analysis included all those with active accounts as of fourth quarter, 1943. The record of reported sales for the year (October 1942–September 1943) was recorded under the proper heading and the annual value indicated. At this point the name of the enterprise was dropped, and since this work was done by employees of the board, no information on individual accounts went outside the office.

Special assumptions and interpolation had to be made in some specific cases. Some enterprises had not been operating the full year. In these cases it was assumed that these businesses replaced others (every transfer of operator requires a new account) and that the missing months would have the average sale recorded for the months on record. Where heavy seasonal fluctuations were known to exist, appropriate adjustments were made. The second class of special cases was the chain stores. These stores are not required to report their sales by individual outlet, but report their total sales for the entire State and their taxable sales for the entire county. Total county sales were estimated by assuming that the ratio of taxable to total sales in any one county was the same as the ratio for the total enterprise. Allocation to individual outlets within the county had to be made by simply dividing evenly the county sales between the outlets in the county, the number of which is always reported. Such calculations are likely to overstate the total sales for the outlets in smaller communities (such as Arvin and Dinuba), but intimate knowledge of the region suggests that the error introduced in this way is not great. In Arvin, estimates were required for 10 outlets, 7 of which were only reported for only part of the year and 3 of which were chain stores. In Dinuba there were three partial accounts and four chain operations. Since the tendency of both types of estimate is to inflate total sales slightly, it is probable that the total difference between Arvin and Dinuba is slightly understated, though not to a very great extent. The large number of partial accounts in part reflects the growth in Arvin, in part the instability of its enterprises.

State law requires that no data be published which divulge the sales of any one enterprise. Therefore, combinations of different categories were made so that all published categories contain two or more enterprises.