

EDITORIAL

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ETHICS AND COMBINATIONS.

THE trend toward combination is seen in every activity. Quite naturally the dealers in foods were among the first to try out combinations for establishing stores in selected localities whereby the buying power and selling opportunities were increased and the stores brought under an organized management, thus the chain restaurants and groceries became established and to some extent there is an interlinking of these divisions, probably to a greater extent than is generally known, reaching out to producers and carriers. Other lines followed, including retail dealers in drugs, not only because there were opportunities in the so-called "patent medicine business," but because a variety of side-lines had become part of the average drug stock, whereby a large number of patrons are brought into the stores, all of whom may become buyers of articles controlled by the chains. The opportunities of combinations which affect all the divisions of the drug activities are readily discernible, some of the phases were discussed in a July editorial.

The fundamental object of combinations is to produce or increase profits and to that end there must be a buying public, on which the continued success of the chain depends. The successful individual merchant distributes his income among his fellow-citizens; the successful chain places the profits under the control of a comparative few, often in other centers of business, increasing thereby the power and control of the few in these localities over units of business in which their concern is largely profit. Investments will be sought and the money earned will be expended, but it is too early to predict the result; great changes have taken place, others will follow and, eventually, separation may come about in which, as far as the drug business is concerned, there may be a division of the professional and commercial sides; the public will finally decide and not for long be unmindful of what is best for progress and public health.

In the commercial lines the efforts are directed to increase production, lower prices, and make the products available to a greater number—this applies especially to the chains. In the professional lines there is continued development of specialization. There is higher cost of service in the latter; lower cost is claimed because of larger sales volume in the former; whether the lower cost is accompanied by substitution, inferior service and wasteful buying is a question that has been argued *pro* and *con* and in some of the combinations effected it would seem as though salaries of officials offset to some extent the possible reduction in overhead.

Along with specialization there are also combinations in the professional activities—so-called clinics have been and are being established, and the number of hospitals devoted to special lines is largely increasing. Neither the Federal Government nor a state can afford to neglect the health of its people, which means that there must be a reasonable relation of ability by the majority to pay for efficient medical service.

The activities of pharmacy and of pharmacists have an important part in public health matters, for disregard of the professional obligations endangers life, health and morals. The application of ethics in pharmacy and the drug business has changed with the times, influenced in a degree by the trend of moral standards and prevailing methods in business and government; we note the difference in the viewpoints of those to whom the sale of a package of medicine represents the sale of something on which profit is made and others whose cultural training and education have impressed them with a realization of their obligations as pharmacists, and judges have pointed out the difference in rendering decisions.

While not directly applicable, the closing remarks of Judge Chester A. Batchelor before Washington State Pharmaceutical Association carry a timely admonition: "Pharmacists have always been benefactors of mankind. By all honorable means preserve the traditions, integrity and usefulness of your profession. To so preserve them you must safeguard the privileges gained through your scientific study, work and experience. To properly safeguard those privileges and prerogatives you must maintain an active militant organization. You owe this not only to yourselves but to the public health and safety as well."

RESEARCH IN LAW.

JOHNS Hopkins University has established an institute for the study of law, which will devote itself chiefly to research concerning legal problems and their social and economic significance. We are quoting from a comment thereon in stating that "students of jurisprudence have pointed out that unless something is done to correct the rapidly increasing confusion of law, its machinery may break of its own weight." Practicing lawyers are too busy for this work so it must be done by trained students. Laws designed to fit conditions of a generation ago are hopelessly insufficient and actually impede efficiency. "Legitimate business often finds itself in a traffic jam of legislation."

It is to be hoped that legislation applying to pharmacy and the changing conditions in the drug business may profit by this new undertaking which has been set on foot by Johns Hopkins University. Among those who will serve on the faculty are: Dr. Cook, President of the Honorary Law Society; Professor Oliphant, member of the editorial board of the *American Bar Association Journal*; Professor Marshall, managing editor of the *Journal of Political Economy* and of the *Journal of Business*, and Dr. Yntema, connected with the School of Law and Faculty of Political Science at Columbia University. Provision has been made for the financial support of the institute for five years, and in the meantime an effort will be made to provide permanent endowment.

The Kappa Psi convention will open at Hotel Eastland, Portland, Me., Friday, August 17th, and final sessions will be held on Saturday.
