

JOURNAL OF THE LEGAL AND LEGISLATIVE.

THE NEW COST DEFINITION.

"Inasmuch as the vast preponderance of drug store products are distributed to small drug retailers who are unable to purchase on a quantity basis but who perform services which are essential to the welfare of those in their communities, and whereas such services cannot adequately be performed through the facilities provided by their competitors, and whereas in some cases sales are made to consumers by such competitors at prices below the lowest cost of purchase normally obtainable for such merchandise by small drug retailers, and whereas in most instances such sales prices are not a true indication of the general level of prices of such competitors and no general benefit to those in the community accompanies the same, but such prices are in fact in the nature of bait offers of merchandise to attract trade.

"It is hereby declared unfair trade practice and is prohibited by this code for any drug retailer to sell any drugs, medicines, cosmetics, toilet preparations or drug sundries at a price below the *manufacturer's wholesale list price per dozen*, provided, however, that in the case of biological or other of the above-mentioned products which are not customarily sold in dozens or gross lots, the Code Authority may fix a comparable unit quantity, and provided further that any discount, free deal or rebate which is made available to all purchases of *dozen lots* or comparable quantities shall be considered as part of the manufacturer's wholesale list price."

NATIONAL RECOVERY ADMINISTRATION BEING TRANSFORMED TO CODE-ENFORCEMENT BODY.

The long proposed transformation of the National Recovery Administration from a code-making to a code-enforcing agency is definitely under way, but the objectives of using codes to increase employment while protecting labor and consumers remain prominent in NRA activities.

Tentative orders issued by Administrator Hugh S. Johnson not yet fully in effect completely reorganize the NRA, deputizing authority to lesser officials and providing machinery for quick disposal of complaints of violations of codes. The administrator will

retain a veto power but each of the half-dozen divisions of the NRA will be largely autonomous and will have authority to dispose of all matters except those involving policies not definitely settled.

Reorganization of the NRA is being conducted by W. Averill Harriman, division administrator, temporarily in the capacity of first assistant to the administrator. Details of the NRA organization have become so voluminous that it is necessary to perfect an organization not so centered on the administrator personally as it has been to date. To this end each division will be made practically autonomous for purposes of code administration, each with its own group of legal, labor industrial and consumer advisors.

A new litigation division is being carved out of the legal division which will have the responsibility of bringing court actions against violators in cases where the code authorities have not been able to secure compliance with the code.—*Oil Paint and Drug Reporter*.

FIRMS MUST PAY NRA CODE COSTS OR FORFEIT EAGLE.

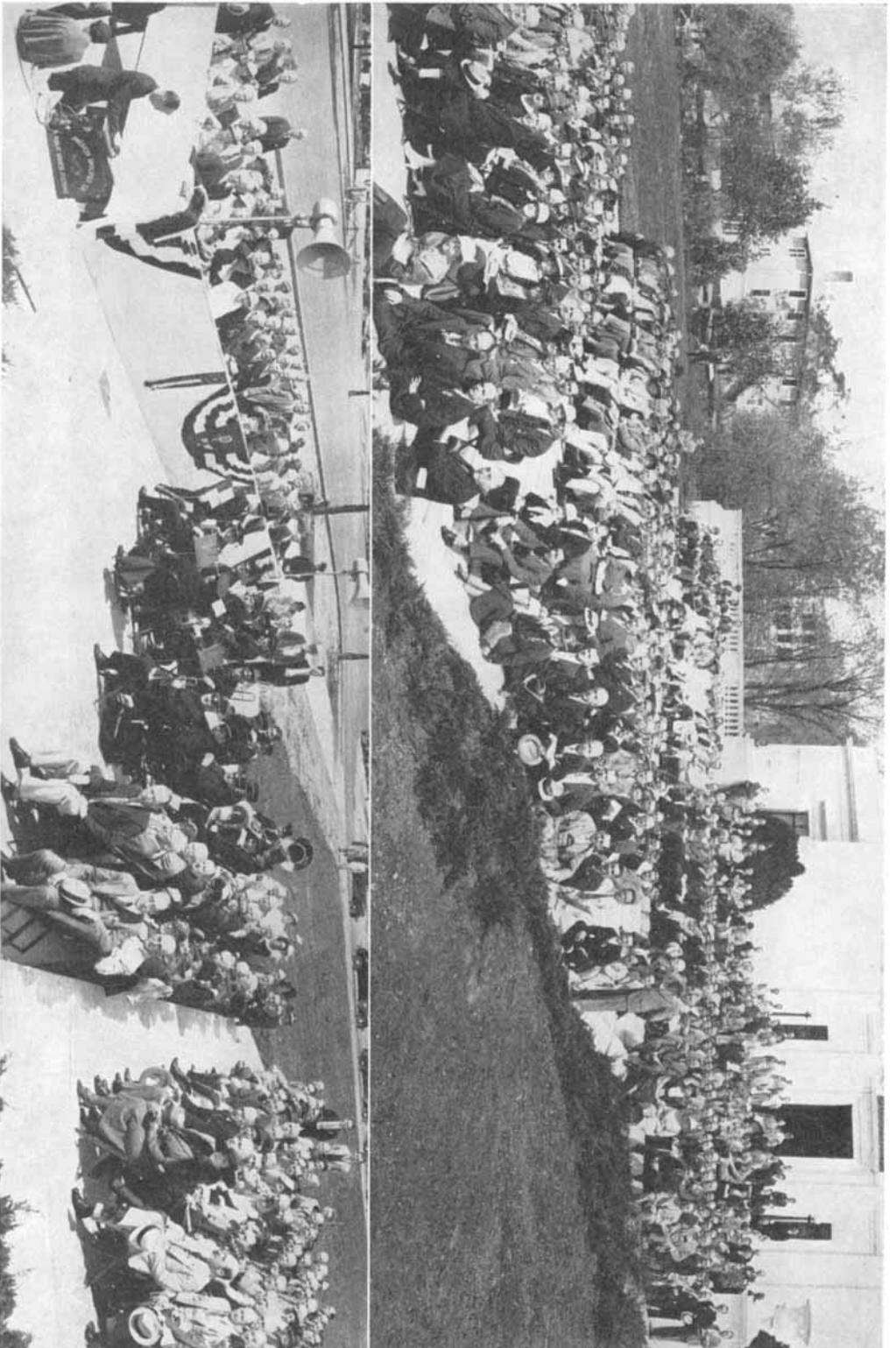
President Roosevelt, on April 14th, issued an order under which future display of the Blue Eagle will be allowed only to those firms which contribute to expenses of code administration, wherever such outlays are required.

To protect employers from racketeering by organizers of industrial groups, the President required that all Code Authority rates of assessments and budgets of expenditures must be approved by Administrator Hugh S. Johnson before any money can be collected.

The executive order does not command that every firm under every code pay dues, but substantially leaves this government-controlled method of financing administration the only avenue which may be followed.

Industries, under the order, will not be required to, but will have the right to apply to NRA for approval of a financing plan, which shall be put into effect if Administrator Johnson "shall find approval by him of such a clause is necessary."

Non-payment will constitute violation of the code, subject the firm involved to withdrawal of the Eagle, deprivation of all other code privileges and expose it to suit for collection on the part of the Code Authority.



The Dedication Exercises of the American Institute of Pharmacy. The half-tone is made in two sections—the speakers stand below on left and the participants in the ceremony continued in upper plate.