

tion consist of U. S. P. and N. F. preparations with the directions for manufacturing given. It is only fair to give the applicant the same privileges which the pharmacist has in the drug store. If the directions are given and he has acquired the proper technique, he should be able to make a preparation the first time with perhaps the exception of emulsions. This would give the applicant a chance to make a grade of sixty per cent and the remaining forty per cent should consist of work on prescriptions, without directions given. In the writer's opinion, it is not fair to expect an odd prescription to be compounded correctly the first time, and in order to be fit for dispensing, it should be perfect to the degree which is possible. The prescriptions given in examinations often consist of odd combinations on which a certain amount of experimentation had to be done to ascertain the best method for compounding. This, no doubt, suggested the idea to the examiner that it would make a good State Board question. Why expect more from a man with a limited amount of experience than from the one who has had at least ten years? In many cases no basic principles are demonstrated in these combinations.

One point which the State Boards overlook, as far as the writer has been able to determine, is the applicant's ability to read original prescriptions. It would seem more important to be able to read a physician's handwriting and decipher a prescription, than to identify drugs. This could be made a part of the work on dispensing prescriptions in the examination. The remainder of the examination should consist of determining whether the candidate is qualified to handle a prescription from the time he receives it until it is ready to be handed to the customer. Every one present is acquainted with these proceedings without taking the time to enumerate them. If the candidate is not capable of making fifteen per cent on the remainder of this work, which will give him a passing grade, he is not qualified to receive a certificate of registration.

PROFIT—THE WAY OUT OF THE DEPRESSION.*

FOR THE NATIONAL RECOVERY ADMINISTRATION.

BY W. BRUCE PHILIP.

To protect the consuming public the prices of drugs, medicines, toilet articles and drug sundries, must be at such a price level as to allow adequate pharmaceutical service.

A code of Fair Competition, for the retail drug trade, must be a guide, not for a few exception drug stores, but for at least ninety per cent of the 60,000 drug stores in the 48 states. This ninety per cent of the total number of drug stores serve at least ninety per cent of the geographical territory of the United States. This same ninety per cent of the drug stores serve at least seventy-five per cent of the country's population. If the Code of Fair Competition for the Retail Drug Trade will not bring recovery to the ninety per cent of the retail drug trade, the code then ceases to be a Code of Fair Competition for the Retail Drug Trade, and becomes a special code for a favored fraction of the retail drug trade.

* Section on Commercial Interests, A. P. H. A., Washington meeting, 1935.

The laws of every state in the Union, and the District of Columbia, demand that "drugs" be sold by registered pharmacists. One finds mention in the Code to "registered pharmacists," "assistant pharmacists," and "apprentice pharmacists." This imputes at once the handling of drugs by highly skilled persons. The Code for the Retail Drug Trade of course recognizes that persons other than retail clerks are necessary for drug stores.

It is also self-evident that on account of these stringent State and District of Columbia pharmacy laws, that if a drug store has only one employee, and he is left alone in the drug store, that person must be a registered pharmacist.

All this points toward the fact that in smaller retail drug stores a minimum code wage is not apt to be a maximum drug store wage, unless the Fair Trade provisions are inadequate, and fair wages cannot be paid. In larger drug stores where greater supervision is possible, and work of the drug store can be segregated and delegated as routine work, work wherein only limited knowledge is required, a large number of minimum wage workers may be possible. A low overhead thus obtained should not control 90 per cent of the drug trade industry.

It must at all times be remembered that *all* fair trade provisions must be important and necessary factors and will control the selling power of all drug store items, controlled by the Code. These provisions must not create an undue hardship on items needed by the consuming public for the protection of health. No item must be placed by provision of the Code, so low that other items will be unduly high in price.

No item can be sold from a drug store without certain fundamental charges entering into the "cost" to the public of the item sold. If these charges do not enter into the sale price, the sale is not an honest sale. It must be remembered that where the burden of the expense of selling one item is not to be found in the cost of that item to the public, then that burden of the selling of that particular item must be added in the cost of another item, or several items. The public must pay the cost of handling all items.

The following figures make clear just what is meant. Figures easily seen at a glance have been chosen:

A drug store's overhead is arbitrarily placed at 30 per cent. By overhead is meant the service furnished by the retail druggist, and includes such items as labor (clerk hire), rent, taxes, etc.

To illustrate, let us say four items, *a*, *b*, *c* and *d*, are purchased, all different, each one of the four costing seventy cents. If each item is sold for one dollar, the consuming public pays the merchant the manufacturer's wholesale price for the item, plus the fair share of operating expense needed to buy (house) and sell these four items.

But if one item, *a*, is sold at 70 cents retail (this is according to the Code of *Fair Competition* for the Retail Drug Trade, definition of "cost") to pay the wages, rent, taxes, etc., that make up the 30 cents overhead on the item, *a*, there is a choice of spreading the 30 cents needed to see, *a*, over *b*, *c* and *d*. Shall the price of *b* be raised to \$1.30 when it is already carrying 30 cents, its full share of wages, rent, taxes, etc., or shall *b* and *c* be raised to \$1.15, or shall *b*, *c* and *d*, be raised to \$1.10 each?

It may be asked what is fair in an alleged "Fair Trade Practice" provision that

allows this unfair practice? Remember this illustration does not allow one cent of net profit.

If, *a*, *b*, *c* and *d*, are purchased by different people, whom should these people overpay so one can buy an underpriced item? Why gyp three-fourths of the consuming public?

The NRA should tell the public and stand firmly on the fundamental truth, that if the consuming public is to have drug stores and drug store service, then the consuming public must pay the overhead expenses, must pay the profit that goes into giving adequate protection needed to sell the items peculiar to this Code.

When a drug store opens its door each morning, out of sales alone, labor, rent and taxes must be paid. The more items sold at cost, the lower must be the wages and the more unfair to the consuming public must be the price on other items sold.

Surplus, excess stock of goods on hand, and credit once possessed to a degree by the retail druggist, has been exhausted by four years of depression.

The consuming public has received all this reserve the 60,000 drug store owners once had. Much of the credit exhausted by the corner drug store owner during the last four years went to the unemployed, and to those whose purchasing power was greatly reduced, and is a debt the consuming public can pay by demanding a fair code provision for the retail drug trade, instead of demanding sales without profit.

The issue, therefore, must be squarely faced that since surplus excess stock and credit can no longer be counted upon by the drug trade, to-day's drug store profit in sales must now be considered exclusively to pay labor, wages and taxes. Wages paid to drug clerks and other employees at once become consuming public purchasing power.

If "recovery" is to come to 90 per cent of the owners of retail drug stores in the United States, under the National Industrial Recovery Administration, the National Recovery Administration and the Code of Fair Competition for the Retail Drug Trade, present-day sales must represent three things, namely, Cost of Merchandise, Overhead and Net Profit.

Net profit, if made on sales to-day will be used by the retail druggist for a long time to come, to pay bills, and debts accumulated during the past four years of depression; debts that are, respectively, labor charges, rents and taxes, paid after the surplus and reserve were exhausted, now existing largely in debt to manufacturers, and wholesale drug houses.

It must be admitted by all, that if *sales* now made do not pay Cost of Merchandise and Overhead, then bankruptcy stares the members of the drug trade in the face, and lack of adequate drug service will become a consumer's problem.

If cost of merchandise and overhead are not carried by cost, is not then the Code for the Retail Drug Trade demanding that the druggist fail to pay his employee; fail to pay his rent; fail to pay his taxes, or fail to pay for his merchandise?

Failure to pay for either overhead or merchandise is not in the consumer's interest. It is not in a recovery program. Without profit, purchasing power of dependent employees is slowed up or stopped, and unemployment increases.

Alleged efficiency in business cannot be the subterfuge to place *unfair* competitive provision into the Code of Fair Competition of the Retail Drug Trade.

When the retail druggists hire labor they cannot go into the household or personal living efficiency of the employee, and thus set a lower wage level.

If an employee owns his own home, or has his own orchard, or garden, or if the employee can buy his provisions in large quantities or can make his own clothes, the employer cannot take these things into consideration and pay a wage below the minimum even if the saving is passed on to the consuming public.

The Code of Fair Competition for the Retail Drug Trade is for 60,000 drug stores, and unfair trade practices should not be written into it, because a few druggists own their own buildings, or have an advantage in buying, which if allowed to influence the Code provision, will injure a large number of drug stores.

The fact must never be lost sight of that alleged efficiency means, keeping down overhead, and the consuming public must know just what keeping down overhead means.

The largest item in overhead or expense is labor. Therefore, alleged efficiency is making minimum wages, maximum wages. Efficiency means, immediately laying off help that may not be needed, and seeing that the number of employees are kept at the minimum. Alleged efficiency means, discharging an employee immediately when he shows signs of failing to produce maximum results under minimum wage conditions.

Controlling over 90 per cent of the drug business by an alleged efficiency of the less than 10 per cent of the 60,000 retail drug stores, is to repudiate the Declaration of policy, Section 1, of the National Industrial Recovery. Alleged efficiency is taking advantage of every employee so that the largest expense item in a store's overhead will be kept down.

Consider that during the last four years of depression, workers had no minimum wages. Clerks repeatedly in cut-rate stores, took anything for a job. Is it surprising that less than ten per cent of the 60,000 drug stores now can show an alleged efficient low overhead made so by a low wage?

Every dollar that helps to improve industry comes out of profit—that is, a sale or service price above cost of goods or materials.

Why dodge the issue, why lie about it? A sale without profit is without honor under any code. A sale without profit is a direct slap at the unemployment problem.

The codes, and the NRA prohibited the employment of labor without the payment of wages. Why have not the NRA, and the code provisions, placed a "sale" on an honest basis like a minimum wage? That honest basis is not an honest definition of cost alone. Trading dollars never paid a cent of wages to the labor needed to make the swap.

To demand that purchasing power be increased before profit is made, is ridiculous. It is not a question of which comes first, the hen or the egg.

What happened ten million years ago is not being discussed; we are talking about what will happen now. Believe it or not—without a hen, you have no egg. Without a profitable sale, there is no means to pay the employee. Without profit there is no purchasing power, and as profit becomes fair, purchase power rises from the minimum.

When 90 per cent of the retail drug trade by official representation in September 21, 1933, asked the NRA for a code, a demand for a fair profit was made also. This demand has been repeated almost daily since that time.

Ninety per cent of the retail drug trade cannot be wrong when it comes to

knowing what the retail drug store needs, so that employment can be increased and purchasing power can be raised.

Ninety per cent of the retail drug trade cannot be wrong when it comes to knowing what are fair and unfair trade practices in the retail drug business.

Among all the people of the NRA that have opposed the giving of fair profit over cost to pay labor, rent and taxes, not one person is known to the speaker who is qualified as a pharmacist. What American principle is it that allows a few untrained officials to retard an industry that speaks ninety per cent strong—an industry that holds a good share of the public health of 125,000,000 people in their keeping, and have followed a fair trading policy and service here in America, as long as we have had a nation?

REVOLUTIONARY ACCOUNT BOOK OF CHRISTOPHER, JR., AND CHARLES MARSHALL.

BY CHARLES H. AND MILLICENT R. LAWALL.

The Marshall Drug Store, which was one of the prominent pharmacies of Colonial America, was founded in 1729 at Front & Chestnut Streets, Philadelphia, by Christopher Marshall, Sr., who had been born in Dublin, Ireland, and who had first settled among the "Friends" of Bucks Co., Pennsylvania, where he became a

member of the Middletown Monthly Meeting. In 1735, the store was moved to Chestnut Street above Second Street (now the site of 214 Chestnut Street), where it continued for more than a century at "The Sign of the Golden Ball."

Christopher Marshall, Sr., was a "fighting Quaker," who was prominent in Colonial as well as civic affairs. In 1765, he took in with him as his partners, his sons, Christopher, Jr., and Charles, and they succeeded to the business in 1772. Charles Marshall, the active head of the new firm, was an apothecary, druggist, botanist and



Fig. 1.—Upper part of cover of Waste Book.

chemist, who developed a fine reputation among the leading physicians of the city for his integrity, skill and care. He became, in his old age, the first president of the Philadelphia College of Pharmacy, in the archives of which the book was found which furnishes the subject of this study.

It is a typical "Day Book," about 8 by 12 inches in size, bound in a cardboard cover, with a typical mottled design of scallops of red, white, green and blue (see Fig. 1). It bears an oval label on which is written:

"Waste Book, Chris. Jr. & Chas. Marshall. Began June 1st, 1774 Ended Septem. 10th, 1774. No. 5."