

pert; J. P. Halliwell, Pocatello; J. Earl Evans, Idaho Falls, and Secretary Elmer B. Williams, of Boise. Dean E. O. Leonard, of the Idaho Institute pharmacy department, discussed his school and its problems and policies; D. S. Whitehead spoke on national legislation and led an open forum discussion on that subject, and A. A. Walker spoke on "Drugs in Drug Stores Only" and stressed the need of a Fair Trade act in Idaho and other helpful legislation.

#### A. D. F. INSURANCE COMPANY.

The American Druggists' Fire Insurance Company is making preparations to celebrate its 30th anniversary during the first week of of June. The report at the annual meeting showed 480 fire losses from which the policy holders recovered \$165,876.66. The Company had in force on January 1st, 22,127 policies. A dividend of \$3.00 per share was declared. The directors and officers were reelected.

## LEGAL AND LEGISLATIVE.

### HEARINGS ON TYDINGS BILL.

The mass meeting held in Washington by independent dealers in various activities was a great success. The convention on March 4th filled Constitution Hall and among the speakers were Senators Tydings and Robinson, and a number of Congressmen; former Governor of Minnesota, J. A. O. Preuss, and Rowland Jones acted as secretary. Those who carried on the work of the convention feel that the event was an outstanding success and are much encouraged. Representatives came from all sections of the country and the attendance is shown to some extent by the visitors at the AMERICAN INSTITUTE OF PHARMACY.

### NARCOTIC CONTROL REVISION.

The facts underlying the controversy on the Doughton Bill have been reported in the Press in the following: "In the Treasury, following a suggestion made by Secretary Henry Morgenthau, Jr., in August 1934, there was drafted a bill reorganizing the Secret Service to include under it all the law enforcement units now functioning separately under the Treasury. These were to include: The enforcement division of the alcohol tax unit, the intelligence division of the Bureau of Internal Revenue, the customs agency and the Bureau of Narcotics.

"The State department's objection was that the Bureau of Narcotics had been set up under an international treaty provided in the narcotics limitation convention of 1931. This bureau headed by Commissioner H. J. Anslinger, had served not only to discharge the United States' international obligation, but also as a model for similar bureaus in the 49 governments participating in the treaty, which had patterned their own organizations directly after the tremendously successful American set-up, State Department attachés asserted."

"Under the narcotics bureau licensing of the medical and pharmaceutical trade in habit-forming drugs, by which the supply of all such drugs is controlled from production to distribution with minutest care, violations have been found in less than one-half of 1 per cent of the total drug output. These violations have been mostly technical, such as wrong registrations, etc."

The drug-trade activities were well represented at the hearing before the House Ways and Means Committee on February 28th and opposition was quite general to a change as proposed in the Bill.

The following was submitted after the hearing:

"The Secretary of the Treasury is authorized to issue such rules, regulations and orders and take such other steps as he shall consider necessary in order to coordinate the functions of investigation, detection and violations of laws hereby transferred to, conferred or imposed upon the Chief of the Secret Service Division with the functions of investigation, detection and violations of narcotic laws lawfully conferred or imposed upon the Commissioner of Narcotics or the Bureau of Narcotics." "Unless this amendment is accepted all branches of the drug trade and the physicians of the country will be subject to the espionage and supervision of two thousand or more undercover agents or inspectors under the direction of the Secret Service instead of two hundred and fifty inspectors especially trained in narcotic law enforcement and conversant with pharmacists', physicians' and drug manufacturers' and wholesalers' problems'."

### COURT UPHOLDS CALIFORNIA UNFAIR PRACTICE ACT.

"The act is a wholesome statute," Judge Moore said in his opinion, "It does not deprive

anyone of a natural right. It bids all men in trade and in industry to live and let live. It does not attempt to fix prices. It merely requires each man affected not to cut his brother's throat at night or secretly to apply the lethal. By its inhibitions, it declares those obligations which are ingrained in the social fabric and fixes rights that originate in the principle of mutual aid and that arise from other impulses which impel men to conserve their kind.

"The act is altogether valid. It was adopted in the proper exercise of the legislative functions. It is not a violation of the inhibition contained in either the 5th or the 14th Amendment to the Federal Constitution. Neither did the state surrender its powers to enact such a measure by any other clause of that arch instrument.

"The act is not a restraint upon the right of contract. It is only an injunction against acts which are declared thereby to be criminal. The claim that freedom of contract is impaired by the act is archaic. The claim made by the defendant that the items listed as constituting the cost of doing business are difficult of ascertainment does not affect the validity of the statute. The legislation can prescribe a rule, but it cannot find the facts."—*Drug Topics*, March 9, 1936.

#### THE BRANDEIS CLASSIC ON PRICE CUTTING.\*

Mr. Justice Brandeis exposed the myth that excessive prices result from the establishment of minimum resale prices, in the following language:

"The position of the independent producer who establishes the price at which his own trade-marked article shall be sold to the consumer must not be confused with that of a combination or trust which, controlling the market, fixes the price of a staple article. The independent producer is engaged in a business open to competition. He establishes the price at his peril—the peril that, if he sets it too high, either the consumer will not buy, or, if the article is nevertheless popular, the high profits will invite even more competition. The consumer who pays the price established by an independent producer in a competitive line does so voluntarily; he pays the price asked, because he deems the article worth that price as compared with the cost of other competing

articles. But when a trust fixes, through its monopoly power, the price of a staple article in common use, the consumer does not pay the price voluntarily. He pays under compulsion. There being no competitor he must pay the price fixed by the trust, or be deprived of the use of the article. x x x

"America should be under no illusions as to the value or effect of price-cutting. It has been a most potent weapon of monopoly—a means of killing the small rival to which the great trusts have resorted most frequently. It is so simple, so effective. Farseeing organized capital secures by this means the coöperation of the short-sighted unorganized consumer to his own undoing. Thoughtless or weak, he yields to the temptation of trifling immediate gain, and, selling his birthright for a mess of pottage, becomes himself an instrument of monopoly."

#### TYDINGS BILL ARGUED AT SENATE HEARING.

Separate hearings were held March 13th, before a sub-committee of the Senate Judiciary Committee on the Tydings-Dies N. A. R. D. National Fair Trade Enabling Act. Senator Hatch of New Mexico is Chairman of the Committee and was assisted by Senators McGill, Kansas; Van Nuys, Indiana; Borah, Idaho; and Austin of Vermont.

Senator Millard Tydings of Maryland summarized by pointing out that the bill would not permit agreements among manufacturers or among distributors; has no monopolistic features and no provisions for fixing definite prices; is purely voluntary and permissive; and would permit ordinary manufacturers to do what powerful ones are now doing through the device of agency in maintaining resale prices. He insisted that ample competition will remain.

#### ALCOHOL LABELING AND PERMIT RULES EXTENDED.

Both house and senate have passed a resolution (S. J. Res. 217) extending the dates for permit and labeling requirements under the federal alcohol control act.

This act prohibited selling alcoholic beverages at wholesale after March 1, 1936, except under permit from the Federal Alcohol Administration, but this date has now been advanced to July 1, 1936. The act also provided that after the same date all labels on alcoholic beverages must be approved by the F. A. A., and this date has now been extended to August 15, 1936, in the case of distilled

\* From *Maryland Pharmacist*, February 1936. Copies of complete article may be obtained from the *Maryland Pharmacist*.

spirits and December 15, 1936, in the case of wine and malt beverages. The F. A. A. has been unable to complete the preliminary work necessary for issuing permits and approving labels, but expects to have the work completed before the extended time expires.

The senate finance committee has not yet acted on H. R. 9185, an omnibus alcoholic beverage control act, including the Murphy amendment which would require the use of alcohol distilled from cereal grains in all products coming under the beverage alcohol or food and drug acts.—*Oil, Paint and Drug Reporter*.

#### APPROPRIATIONS BY CONGRESS.

Appropriations are being considered by Congress: For the Bureau of Narcotics \$1,275,000.00 is proposed. For the United States Public Health Service, the following appropriations, among others, are proposed; \$8,000,000.00 to assist states, counties, health districts and other political subdivisions of the states in establishing and maintaining adequate public health services, including the training of personnel for state and local health work; \$1,155,160.00 for investigations of diseases and sanitation; \$64,000.00 for maintaining the National Institute of Health; \$5,870,000.00, for the pay of personnel and maintenance of hospitals; \$663,220.00 for the Division of Mental Hygiene, including the maintenance and operation of the Narcotic Farm, Lexington, Ky. The bill proposes that on and after July 1, 1936, the Narcotic Farm at Lexington, Ky., shall be known as the United States Public Health Service Hospital, Lexington, Ky.

#### DISTRICT OF COLUMBIA.

S. 3514 has passed the Senate, proposing to regulate the manufacture, dispensing, sale and possession of narcotic drugs in the District of Columbia.

#### COSMETIC TAX ON BATH SALT.

Following a request from drug wholesalers in San Francisco in connection with the attempt of the Treasury Department to collect the cosmetic tax on Epsom Salt labeled as "bath salt," the National Wholesale Druggists' Association has brought the matter before the Treasury Department.

#### KENTUCKY LEGISLATION.

H. 487 purposes to enact a new pharmacy practice act. Among other things, the bill

proposes to prohibit the sale, except on the prescription of a licensed physician, dentist or veterinarian, of hormones (synthetic or otherwise), barbital, sulphonethylmethane (tetronal), sulphonmethane (sulphonal), diethylsulphon, diethylmethane (tetronal), carbromal, paraldehyde, chloral or chloral hydrate, chlorbutanol, all serums and antitoxins, and the following emmenagogues or abortives: Tansy, pennyroyal, rue, savin, ergot and cotton root.

#### CALIFORNIA FAIR TRADE ACT.

On February 28th the highest court in the State declared the California Fair Trade (Badham) Act, including Section 1 $\frac{1}{2}$ , constitutional. It was the case of Max Factor *vs.* Kunsman, based on Section 1 $\frac{1}{2}$  which reads as follows:

"Section 1 $\frac{1}{2}$ . Wilfully and knowingly advertising, offering for sale or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provision of Section 1 of this act, whether the person so advertising, offering for sale or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby."

Under leadership of Frank E. Mortenson, the druggists of California expect to celebrate this very important decision.

#### GENERAL PHARMACY REGULATIONS IN GERMANY.

(1) The pharmacy is an institution of the State Health Service. Its task consists in service for the public welfare. Striving after profit must take second place to the achievement of this purpose.

(2) The pharmacist must conscientiously carry out his professional responsibilities. He must observe the legal regulations. He must maintain the honor and reputation of his profession in and out of business hours.

(3) The pharmacist must always be loyal toward fellow-members of his profession. Especially must the leader of each business unit treat subordinates as professional comrades.

(4) Members of the staff must place the whole of their energy at the disposal of the pharmacy for which they work, and to guard its rights and reputation in and out of business hours. They are not to disclose any transactions of the business except in so far as they are, as members of the German Pharmaceutical Institute, required to notify offenses to higher officials.