

THE CONFERENCE OF PHARMACEUTICAL ASSOCIATION SECRETARIES

ABSTRACT OF PROCEEDINGS.

The First Session was held on Wednesday afternoon, August 24th, at 2:30 P.M. The Second Session, Friday afternoon, August 26th at 2:30 P.M. For Joint Session, Section on Education and Legislation, Conference Pharmaceutical Association Secretaries and Conference of Law Enforcement Officials, see page 1158.

President Loveland presided at the First Session, and the following were in attendance:

H. E. Henry, New Mexico; A. L. I. Winne, Virginia; J. F. Finneran, Massachusetts; P. R. Loveland, New Jersey; C. L. Guthrie, Virginia; W. D. Weinland, Indiana; J. W. Slocum, Iowa; Irl Brite, Arkansas; C. B. Hay, North Dakota; O. F. Cook, Michigan; E. F. Kelly, Maryland; Mrs. C. B. Miller, Kansas; Charles J. Clayton, Colorado; Kenneth Jones, South Dakota; J. Leo McMahan, Nebraska; Joseph J. Shine, Illinois. President Loveland announced that additional State Secretaries were in Minneapolis and would be present later.

CHAIRMAN'S ADDRESS.—Secretary Slocum presided while President Loveland presented his address. He said in part:

"I assure you that it is a great pleasure for me to greet you at the opening session of our Twelfth Annual Meeting. I deem it a privilege to be here and have the honor of presiding over the different deliberations of the meetings of the Conference. I wish to extend to all visitors and those not members of the Conference, on behalf of the officers and members, a cordial greeting. You are welcome and we hope you will find our meetings interesting.

Shortly after the close of the meetings of the AMERICAN PHARMACEUTICAL ASSOCIATION in New York, I attended a Fair Trade Congress in Chicago sponsored by the National Association of Retail Druggists, which was attended by approximately thirty-six members of Fair Trade committees of the various states. Secretary Hayman was in attendance and a special meeting of the members of our Conference who were attending the meeting was called. But as the subject discussed was principally the fourteen points that had that day been submitted to the assembled delegates by the secretary of the National Association of Retail Druggists, the meeting was given over to discussing informally the points in question. Since no official action was taken, I mention it here simply as a matter of record. Before adjourning the secretaries decided it would be most helpful to hold another meeting in St. Louis during the convention of the N. A. R. D. provided there were enough members of the Conference present to make such a meeting feasible.

There were about twenty state secretaries present in St. Louis and a meeting of the Conference was called for Tuesday evening of the convention. Due to conflicting engagements several could not attend the called meeting and only informal discussion took place. One of the topics discussed was the present rule of the N. A. R. D. that prevents a secretary of a state association from representing his organization at the annual meetings of the National Association of Retail Druggists unless he is actively engaged in the retail drug business. There seemed to be a general feeling that this is unfair to a number of our members who, because they were devoting their entire time to the work connected with the office of the state association and not actively engaged in the retail drug business, may not represent their state association at the N. A. R. D. conventions, vote, or serve on committees.

A former president of this Conference, who was present at the meeting, suggested that a resolution be presented to the N. A. R. D. convention, but he felt that it would have more weight if it came from a state organization rather than from the Conference. This seemed to be the concensus of opinion of those present. Accordingly, President Venido of the N. J. Pharmaceutical Association, who was one of the delegates to the N. A. R. D. convention in St. Louis, presented the following resolution:

'WHEREAS, there are a number of full time secretaries of State Pharmaceutical Associations, who on account of the present laws of the National Association of Retail Druggists, are not allowed to represent their state associations at the N. A. R. D. conventions, because they are not actively engaged in the retail drug business, *therefore, be it resolved*, that the officers of the National

Association of Retail Druggists be requested to amend the constitution and by-laws to allow full time secretaries of State Pharmaceutical Associations who are registered pharmacists in their own states, to represent their respective state associations as delegates of the conventions of the National Association of Retail Druggists and that these full-time secretaries be allowed to vote and to serve on committees.'

This resolution was presented to the Committee on Resolutions but it was not reported at the convention and was never alluded to in any manner. If the members so desire we can discuss the subject later.

Those of you who were present at last year's meeting in New York will remember that the matter of issuing a regular bulletin was discussed. At that time I stated that I knew just how hard it was to get cooperation in such matters, and stated that, unless the majority of the members of the Conference were interested in their regular bulletin service, it would not be a success. A poll concerning the desirability of having such service was taken and there appeared to be a desire that we should attempt it. Secretary Hayman stated definitely that there would be no bulletins unless the member secretaries sent in material or news items for the bulletins. As you are all aware, our secretary sent out four bulletins, the last one a brief announcement of this meeting and listing a few subjects that your president thought we might profitably discuss.

Bulletin No. 1 carried an account of the 1937 meeting of the Conference and a brief message to the members from the president.

Bulletin No. 2 contained an account of the meeting of the Conference called at the St. Louis N. A. R. D. Convention regarding the secretaries not being permitted to represent their associations at N. A. R. D. conclaves. The question of liability of employees to state pharmaceutical associations under the Social Security Act was briefly discussed. This bulletin also contained a paragraph informing members of the Conference that a Washington attorney had offered to gratuitously represent the Conference at the National Capital. This offer came unsolicited to your president. I took the matter up with Secretary Hayman and he suggested that in his opinion the question was of such importance that it should not be decided by the officers but that it be placed before the members of the Conference and request them to let us know their reaction to the proposition. Well, for once a bulletin brought a response. I do not know how many letters Secretary Hayman received, but your president received twenty-two letters, all on the subject of the Washington representative, all saying definitely, No. As your president and secretary also voted in the negative that made it unanimous. This is all water over the dam now. Perhaps I should let it go by without mention. However, I think in justice to Secretary Hayman and myself I should state in passing that nothing was further from our thoughts than any criticism or reflection on the Washington representative of either National Association.

During the past year we have lost two member secretaries of the Conference because they are no longer secretaries of state organizations. One, a past-president, Mr. F. V. McCullough, and the other our first vice-president, Mr. J. B. Pilchard. I was very much surprised after last year's convention on making inquiry as to the number of secretaries who were members of the Conference to find that we had less than twenty members, although there are forty-eight state organizations and one in the District of Columbia. I am quite sure that all of these secretaries have been solicited to become members of the Conference. Just why they have never become sufficiently interested to ally themselves with this organization I cannot understand. I know that the faithful Carl Haring, secretary of the Conference for a number of years, was always trying to recruit new members, and I think he was as much mystified as your president at his inability to get a larger representation. In going over some correspondence of our late secretary, I ran across the following paragraph at the top of one of these letters:

'Secretaries are chosen for their intelligence. It should not be necessary to explain to them the advantages of an organization for the exchange of ideas.'

In another one of Secretary Haring's communications I found the following as the final paragraph:

'We have none of us a monopoly of secretarial knowledge but by bunching such as we possess, we may be able to serve our respective associations in a far better manner.'

I am not going to follow the usual procedure of most presidential addresses. I do not have a lot of recommendations. However, I am going to offer one suggestion and that is, that an

honorarium be tendered to our secretary for his services during the past year and a half, and I should be very glad later on to entertain a motion to that effect.

In conclusion I want to thank you for the honor that you have conferred, and for the confidence you have in me in electing me to the presidency of this Conference. I have not been a very energetic president, due more to my inexperience than to not knowing just exactly what the Conference was all about. In addition, I must confess that I have been so busy with my own affairs or those of my association in the past year that I have had very little time for outside activities. Nevertheless, I think that we should try to enlist every secretary, every state secretary, to become a member. I believe that we should get together in round-table discussions, and swap experiences. I feel quite sure that our discussions will be interesting and enlightening. Thank you."

REPORT OF SECRETARY-TREASURER.—Mr. Hayman presented the following report which was approved:

"I shall not attempt to repeat material which has already been covered in President Loveland's address. Therefore, my remarks will be exceedingly brief in order that we may devote more time to the subjects in which we are all interested.

Inasmuch as several attempts have been made to develop the latent possibilities of this Conference in the interim between meetings, and since each attempt has proven to be a 'dud' it seems quite apparent that the secretaries are content to await the annual gatherings to receive such benefits as may be received from such a gathering as this. I must confess that each year the meetings have been most interesting and beneficial to me and, in turn, to my association. Others, I feel, have had a similar experience, hence their return year after year for reinoculations. The period of apparent inactivity between meetings, consisting mostly of routine office work, does not provide voluminous material for a secretary's report, which no doubt, pleases the most of you present. Since President Loveland has reviewed the activities of the Conference since the last annual meeting in New York, I shall not take your time with repetition.

Since our last meeting twenty-four secretaries have had sufficient interest to remit their dues, seven of which paid for 1937 and seventeen for the current year. Apparently a large number are awaiting their old-age pension checks or have not as yet received approval of a P.W.A. loan. In fairness I may say that I have been trying to see a little of "America first" and that I left my desk three weeks ago. I feel quite sure that my desk is now covered with checks paying the current dues. In any event the books are still open and anyone present may at a moment's notice be informed of their present status.

To date the Conference has operated on a balanced budget, and unless some person has tampered with the books, the receipts for the year have been \$72.00 and the expenditures \$19.28 expended as follows:

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| Stenographic copy of last year's meeting | \$8.15 |
| Stationery | 5.25 |
| Postage | 5.88 |

leaving a net capital of \$370.84."

COMMITTEE ON NOMINATIONS.—President Loveland appointed the following members: J. W. Slocum, *Chairman*, A. L. I. Winne and Charles J. Clayton.

Secretary Hayman read letters from Miss Alice-Esther Garvin of Connecticut, Secretary Robert S. Lehman of New York and Secretary Earle F. Gardemann of Utah expressing their regrets in not being able to attend the meetings of the Conference.

The question of the Conference holding a session at the forthcoming meeting of the N. A. R. D. in Chicago was briefly discussed. Secretary Brite pointed out that there were a number of secretaries who attended the meetings of the N. A. R. D. but who rarely attended the meetings of the A. P. H. A., and he was of the opinion that if they could attend a short meeting of the Conference at the N. A. R. D. meetings they would appreciate the importance of the Conference and would then more than likely attend the annual meetings. Secretary Brite moved that proper arrangements be made with Secretary Dargavel of the N. A. R. D. for a luncheon meeting of the secretaries, and that the state secretaries be informed of such luncheon meeting prior to the meeting in Chicago. The motion was duly seconded, carried and so ordered.

At this point President Loveland brought to the attention of the secretaries, once again, the inability of full-time secretaries to represent their state associations as a delegate to the N. A. R. D. meetings.

Secretary Hayman said that he had had considerable correspondence with Secretary Dargavel during the year concerning the question being discussed. Apparently, according to Secretary Dargavel, the subject had been discussed with our late secretary, Carl Harring, although the correspondence is not in the secretary's files. It was pointed out that any organization has the preëmptory right to fix the qualifications of its members, and that the N. A. R. D. has by action of the organization included "actively engaged in the retail drug business" as one of their requirements for delegates. Secretary Dargavel pointed out that to include a few full-time state association secretaries as delegates would necessitate setting up a special classification setting a precedent for other small groups who might wish recognition as delegates. Your secretary was informed that if a form of membership without the privilege of voting or holding office would suffice it was thought that suitable arrangements could be made.

President Loveland pointed out that if a delegate couldn't vote he could not very well represent his state association. Lacking further discussion the subject was dismissed.

The George-Deen Act passed in the last session of Congress was discussed briefly. It was brought out that in Utah classes in salesmanship were being successfully conducted under the provisions of the Act. Mr. Rowland Jones, Jr., Washington Representative of the N. A. R. D., was requested by the secretary to procure a copy of the Act and to have it distributed to the secretaries either through a Washington bulletin or a Conference bulletin.

Considerable time was devoted in discussing manufacturers' sales policies where such policies were believed to be detrimental to the interests of the retail drug trade. The Conference approved unanimously the following resolution:

Resolved, That the Conference of Pharmaceutical Association Secretaries in conference assembled expresses its unalterable opposition to the new sales policy of the International Cellulose Cotton Products Company on their product 'Kleenex' in marketing the same through non-drug channels and condemns similar policies of any manufacturer of any drug store produce.

The subject of Fair Trade was discussed at some length. Secretary Slocum of Iowa stated that there were approximately 240 manufacturers operating on a Fair Trade basis in Iowa. He pointed out that with the exception of one store they had 100% observance of fair trade prices. Attention was called to the practice of flagrant violators of fair trade minimum prices who invariably cut the price below the minimum on one item or line of items until warnings are given by the manufacturer or an injunction is obtained and then shifting their predatory practices to items of another manufacturer. Considerable interest was manifested in the cases which have been brought in several states by retail druggists or groups of retail druggists against flagrant violators in obtaining injunction suits covering the items of several or many fair trade manufacturers in the one injunction.

Secretary Shine stated that they had studied this situation quite seriously in Illinois and that they had consulted an able attorney upon the subject. It was the opinion of this attorney, he said, that wherever you have a constant bother of that kind, where you have a series of injunctions and the violators continue to violate additional contracts in force that the average court will issue a permanent injunction against him covering all items subject to fair trade contracts. Secretary Shine stated that he thought the law was broad enough to cover this point and expressed the opinion that it would be tested in court very shortly.

Secretaries Loveland and Hayman reported cases in their respective states where retailers have successfully obtained injunction suits preventing other retailers from violations of fair-trade minimums.

Secretary Finneran suggested that the various secretaries explain how they finance the fair-trade work; that he was interested in knowing how the various associations handled the distribution of the fair-trade minimum price sheets to the retailers.

Mr. Shine explained that they distributed the sheets at a penny a sheet including the sheets of several manufacturers in one mailing. In the opinion of several this amount was not too much to ask of the manufacturer for the distribution of such material.

President Loveland, in explaining their method of handling fair-trade contracts, price sheets,

etc., stated that they included the minimum price sheets in the regular mailings to the members of the Research bureau which is entirely separate from the association, but that they did not have the facilities for mailing to non-members of the Bureau. This brought forth the question as to whether it was not advisable to mail the minimum price sheets to all retail dealers whether or not they were members of the association or separate fair-trade organizations. Upon this point there seemed to be a division of opinion.

Secretary Hayman stated that the sheets were sent free of charge to all members of their association when such were provided by the manufacturer. He explained, however, that their office was equipped to mail such to non-members if the manufacturer agreed to pay the actual cost involved in making the additional mailings, said cost including postage, envelopes and a reasonable charge for the labor involved.

Secretary Finneran explained that they not only sent the fair-trade minimum price sheets to every drug store but in addition to every outlet in Massachusetts, 3700 in all. He stated that they did not have any compunction in regard to accepting money from anyone for the service they render.

In the discussion of association finances and operating expenses, participated in by Secretaries McMahon, Shine, Slocum, Slocumb, Loveland and others many points of interest and value were brought forth.

Secretary E. F. Kelly expressed to the secretaries his own appreciation and that of the AMERICAN PHARMACEUTICAL ASSOCIATION for the splendid manner in which the secretaries had cooperated with him during the year. He assured the group that if there was anything that he or the AMERICAN PHARMACEUTICAL ASSOCIATION could do that would be of any assistance it would be forthcoming for the asking.

President Loveland requested that Mr. Rowland Jones, Jr., Washington Representative of the N. A. R. D. be given the opportunity of saying a few words to the group.

Mr. Jones said in part: "This group that is assembled here is a conference of secretaries. To those that are here and to those that are not here, I want to express my appreciation for the fine way that they have unanimously cooperated with me in my work in Washington. The co-operation which I have had is far in excess of anything I expected when I first went to Washington. We were talking about Fair Trade here to-day and, after all, the only reason we have of talking about Fair Trade is for the continuation of that kind of cooperation that has made it possible. From some of the surveys that have been made thus far, I am very sure that the investigations now pending by the Federal Government are not going to show that Fair Trade has been expensive from the standpoint of the consumer, and even if their studies do show that prices have been raised to some extent, I think, with the present Congress and the understanding of the whole principle of Fair Trade that the average member of Congress is prepared to accept that as not too high a price to pay for the circularization of the industry.

I do not wish to go into the legislative situation at this time except to say that we are now starting a drive to obtain a reduction of the tax on ethyl alcohol for non-beverage purposes. For the first time in history, in the last Congress the Ways and Means Committee taxed various spirits which was a tax to equalize the new increase of 25¢ a gallon, which had been previously taxed. For the first time the Ways and Means Committee ignored the protest of the Federal Trade Commission that it set an example. We now have in Washington the point recognized by Congress that spirits for non-beverage purposes, and I mean ethyl alcohol when I say spirits, should not be in the same tax category as spirits for beverage purposes. I have confidence that we will get the same cooperation that we have had in the past and that in this next Congress the enormous load of an excess of \$4.50 a gallon can either be repealed entirely or very greatly reduced.

I think most of you know that the N. A. R. D. has made the Patman Federal Chain Store Tax Bill its major new legislative objective, and that, of course, is going to be a big fight. The N. A. R. D. has been criticized from some sources because it is thought that this is not the most opportune time to embark upon a new fight of this kind. The Executive Committee, after giving it a great deal of thought, came to the conclusion that now is the time to start this fight, for this reason, that we believe that a return of fairly normal business conditions and a return of a normal capital market will see in this country a chain expansion which will make chain expansion that we have already seen look like pretty small potatoes. We think we are right in that chain organizations have shown themselves, generally speaking, to be very good profit sources and as profit

sources with the enormous amount of money now dammed up in bank deposits and in saving accounts, that a return to fairly normal conditions will bring a ready, easy capital market for the people who desire to go with chain merchandising of all kinds. If that happens, there will be chain merchandising extended into fields where they have never been before. The bill will have the designation of House Bill No. 1 in the coming Congress. That has already been arranged for, and I think that will have a little dramatic value and a little publicity value too."

Several suggestions were offered as ways and means of increasing the interests of retail druggists in state association membership. It was pointed out that state associations must offer services to its members which are not available to non-members. In this connection the various Fair Trade services were mentioned. Secretary Shine and Secretary Weinland explained the "bull's-eye advertising" service which they render. The work of the various Inter-Allied Professional Groups was discussed.

Secretary McMahon moved to reconsider the motion passed in regard to the luncheon to be held in Chicago during the N. A. R. D. convention and moved that the expense of the luncheon be borne by the Conference. The motion being duly seconded, and after some discussion was passed and so ordered. Secretary Shine, of Illinois, was requested to make the proper arrangements with Secretary Dargavel of the N. A. R. D.

Secretary Slocum of Iowa moved that the secretary be instructed to draw a check in favor of himself for an honorarium in the amount of \$50.00. The motion was passed over the objection of the secretary and so ordered.

No further business coming before the Conference, President Loveland called for the report of the Auditing Committee. Chairman Slocum reported that the committee had examined the books of the treasurer and found them in proper order and in accordance with the report of the treasurer.

The Nominating Committee reported as follows:

Irl Brite of Arkansas, *President*; J. B. Slocum of Minnesota, *First Vice President*; Mrs. C. B. Miller of Kansas, *Second Vice President*; J. Lester Hayman, of West Virginia, *Secretary-Treasurer*; Jos. J. Shine, of Illinois, as *Delegate to the House of Delegates*; J. Lester Hayman, of West Virginia, Otis F. Cook of Michigan and P. R. Loveland, of New Jersey, as *Members of the Executive Committee*. A motion to elect was made and carried unanimously.

The newly elected officers were duly installed and the Conference was then adjourned.
