

imitation. It is interesting to note that of the 1,036 cases terminated in the courts during the year, 198 were brought on account of the false and fraudulent labeling of medicines. In all of these medical cases, save five, the courts found for the government, and this, it is believed, has exercised an important deterrent effect on the venders of nostrums shipped from one state to another.

"The work of controlling the fraudulent labels of medicines and mineral waters has been greatly strengthened by the establishment of a separate office to deal with these matters. At the request of the Secretary of Agriculture an officer of the U. S. Public Health Service has been detailed to take charge of this work. Moreover, through the close coöperation established with the foods and drug officials of many of the states, the Department was able to direct the attention of the local authorities to the presence of spurious goods in the hands of local dealers and beyond the reach of the Federal authorities which were destroyed by state and municipal officers who, in many cases, prosecuted those responsible for the local traffic."

In closing the report of this Committee, the Chairman would suggest that it would be quite proper at this time to consider its discontinuance or otherwise, in some way, reform the Reform Committee in order that it be made more efficient and useful to the Association as a whole. If the Council will consider the matter of reorganization as suggested, your Chairman is of the opinion that it would be in line of constructive work.

Respectfully submitted,

L. E. SAYRE, *Chairman.*

THE DRUG MARKET OF 1916.*

BY HARRY B. FRENCH.

The conditions governing business in 1916 were very much the same as those in 1915, with one important difference. In 1915 there were large stocks of crude drugs and chemicals bought at ante-war prices. These stocks were almost entirely sold during 1915. In 1916, sales were based on prices of crude drugs and chemicals purchased under existing conditions. It is our opinion, therefore, that the profits of wholesalers and manufacturers in 1916 were very much smaller than during 1915.

It is very unfortunate that retailers throughout the country have so signally failed in realizing the situation and in exacting those advances in prices that were warranted and indeed demanded by advancing costs. Almost all retailers continued selling prescriptions, chemicals and crude drugs on the cost of such products, often purchased before the war, long after they were informed that such products has trebled and quadrupled in price. If the statements made to us are correct, the retail druggists, instead of making larger profits in their business, have actually, during the last two years, been making less money than before. Furthermore, they run the risk of heavy losses when we come into, as we shall later, a falling market. It seems to us that the retailer is too much intimidated by the department store prices. At times, prices are made by department stores far below cost simply for the sake of advertising. We would suggest that the retailer bear in mind that he is the man on the spot, and that when he makes a sale to a neighbor, he is not making a sale in a department store three or four miles distant. Furthermore, his being open during so many hours of the day, the convenience and readiness with which orders can be filled, the advice and suggestions that are so freely given, entitle retailers to a little profit. We would say, in our opinion, it is largely a matter of sagacity and courage. All retailers should realize the conditions surrounding their business, and should charge prices in accordance with the service rendered by them. If they pursued this policy they would be astonished at the good results that would surely follow.

The entry of the United States Government as a buyer will have a very great effect on prices. Under the able guidance of the Council on National Defense, through various committees, much of the competitive bidding, that under existing circumstances would certainly force up prices to a

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very high level, will be largely avoided. Yet the demands of the Government will be necessarily so very heavy as to leave comparatively small quantities of various articles for general distribution, which will inevitably result in higher prices.

The tendency of chemicals will, we think, be towards lower prices, excepting only occasionally, when owing to temporary lack of supplies, prices are advanced, but all crude drugs, owing to the increasing difficulties of transportation, the increased cost of insurance and of freights, the disruption of exchanges and the difficulty of obtaining labor, will probably maintain the present high prices and perhaps still higher prices will rule.

One of the articles that appears largely in the eye of the trade at this time is Aspirin. Certain parties claim that anybody has now the legal right to manufacture Aspirin, that is, to sell acetyl-salicylic acid as Aspirin. We ourselves are doing this and indicate our faith in our position by guaranteeing all purchasers if any suits are brought against them. You will remember that the same threats were made by the same parties, when acetphenetidin was sold and labeled as Phenacetin by others than the patentees. Some suits were actually brought, but were never pressed to conclusion. The demand for acetyl-salicylic acid, whether under the name of acetyl-salicylic acid, or under the name of Aspirin, is so great that it has been difficult to supply it. This demand has created a temporary but severe scarcity of salicylic acid, increased by the present demand for dye purposes.

Sodium benzoate may be considered a necessity as a preservative in certain lines of trade. The normal price in quantity is 25 cents per lb. Since the war this has sold as high as \$11.00 per lb. The present price is about \$6.00 per lb. in quantity. The country is flooded with adulterated sodium benzoate and benzoic acid. The foreign manufacturers have customarily put in each package of benzoic acid (the basis of sodium benzoate), some 25 to 30 percent of boric acid. This is placed exactly in the center of the package so that samples may be drawn from the bottom, the top or the sides and only pure benzoic acid obtained. The letting loose of this flood of adulterated products is acquiesced in by the Government. Apparently the Treasury officials take the extraordinary stand that they have no power to refuse the admittance into this country of any chemicals, however adulterated, provided they are properly marked. For instance, under such a ruling, if benzoic acid were marked "70 percent of the U. S. P. strength," we presume it would be admitted. We have held and hold now that this view is wrong and if persisted in entirely defeats the object of the Federal Food and Drugs Act passed in 1906, which was to protect the consumer against adulterated goods. We hold that strictly speaking no goods that are mentioned in the Pharmacopoeia should be admitted that do not comply with the conditions of the Pharmacopoeia. If, however, this rule was rigidly enforced, the drug trade would be unable to obtain many of the necessary products. We, therefore, hold that the Department of Agriculture has the power to name the conditions on which importations not complying with the requirements of the U. S. P., shall be released. As for the contention that, when properly marked, they must be released, we venture to express the opinion that this stand is unjustified. The law gives the power to the executive officials to protect the public from crude drugs and chemicals that are injurious. The Government officials have never until recently hesitated to refuse admission to any drugs or chemicals that they thought to be injurious to the community. If the view that they now apparently take, that they no longer possess this power, is justified, it is a matter of the greatest importance that an amendment should be made to the law at the earliest possible moment.

There is another objection against releasing goods if they are properly marked and that is, as soon as such goods pass the custom house, we regretfully are forced to say that the marks indicating inferior quality are customarily removed. In all our purchases we have never had goods delivered to us that were so marked, and when we have made complaint against imported goods that were below the standard of strength, we were simply told that they had been passed by the custom house.

Citric acid was advanced some time ago, but apparently the American manufacturers have an abundance of crude materials and are anxious to maintain the present schedule of prices. We have had very little hot weather as yet, but higher prices are scarcely to be expected.

Syrupy phosphoric acid has been extremely scarce and it is very high in price. We do not know just the reason for this but we understand it has some relation to the lessening of the capacity of production, owing to inability to obtain power. This condition it is thought will be remedied within a few months.

Adeps Lanae has recently had a large advance.

Alcohol has occupied a very interesting position. It is proposed to impose an additional tax on grain alcohol of about \$1.90 per gallon. At first it was proposed to make this tax retroactive. In many quarters it was thought that Congress did have the power to make retroactive legislation but this opinion was not well founded. The power of Congress in making retroactive law is limited to civil law, and cannot apply to common law. It is, therefore, within the power of Congress to make the increased tax on Alcohol retroactive to go into effect the first year of the founding of the Republic. Fortunately wiser counsels prevailed. To make the tax on alcohol retroactive would have worked the grossest injustice. The price on grain alcohol has advanced to about \$3.58 per wine gallon, in barrels. If an additional tax of \$1.90 is imposed on the alcohol it will make this article something of a luxury, and will, as a matter of course, affect a great many items of which alcohol constitutes an important constituent.

It was at one time proposed to levy a tax on denatured alcohol but this suggestion has been withdrawn, though such taxation may be finally imposed.

The five percent tax on perfumery and proprietary medicines is based on the wrong principle in that it is based on sales. It is not infrequent for a business to be conducted at a loss, and to tax the sales of such a business is unjust in principle because you are taxing them on something they do not possess. The correct basic idea of taxation is to levy taxation so far as possible on net profits. The State, of course, must protect itself by passing laws regulating the reports from business companies and corporations and carefully inspecting the salaries paid. No citizen, in times of crisis like this, should and we think will object to paying whatever percentage of net earnings may be deemed necessary by the Government to be collected for its support.

One of the interesting illustrations of advances in prices is that of arsenic from about 3¹/₂ cents per lb. to 17 cents per lb. There is a very large advance in the price of blue vitriol. This naturally affects the price of Paris green, which latter article to-day is worth about 50 cents in arsenic kegs.

Quinine is another very interesting article. Because of the difficulty on the part of the American manufacturers in obtaining shipments of bark, the manufacturers in this country have been unable to supply quinine sulphate in large quantities, even at their advertised price of 75 cents in 100-oz. tins. It is thought that this difficulty will soon be overcome. The Government is a large buyer of quinine but in such a way as not to affect the market price. Batavia is becoming a greater source of supply and very large quantities are being shipped to this and to other countries from that island. The quality is excellent and answers all the requirements of the Pharmacopoeia. It would seem not impossible that in the near future, manufacturers in other countries may find it unprofitable to manufacture quinine sulphate. The cost of freight, insurance and other expenses in handling the bark is equivalent to the payment of a bounty to the manufacturers of quinine in Batavia.

Opium and its products have reached unparalleled prices and are not obtainable in large quantities. Turkey opium is practically unobtainable. The India opium is too low in test to be brought into this country, except the Government should agree to permit such importations without reference to the law. The only other opium that is available is the Persian, which in the past has been mostly shipped to England. It seems that some special arrangements are being made because Persian opium is now being permitted to come forward from that country. We were told by a representative of a house that had large connections in Persia, that a buyer offered to pay the market price in Persia and pay them a commission of 20 percent if they could get the opium out of that country, but they stated it was impossible to do this at that time, owing to the lack of money of any kind in Persia and to the general disorganization prevailing in that country. We presume, however, that conditions have since been improved.

Cocaine hydrochloride is in very small supply because of the very great export demand and the present price in 1-oz. vials is \$9.00 per oz.

Arnica flowers are \$3.00 to \$3.25 per lb. This scarcity probably will be somewhat relieved later this year. Shipments have been made of spurious arnica flowers that we are told grow in the plains instead of on the mountains.

The purchases for Government purposes here and abroad of dynamite glycerin have been so great and the scarcity of oils of all kinds, both fat and seed, has been so great, that prices all along the line have advanced very greatly, and C. P. glycerin in 50-lb. tins to-day is worth 67 cents a lb.

Lard oil, prime white, \$2.25 per gallon.

Cottonseed oil, bleached or olive flavor, \$1.60 gal.

Castor oil, \$2.60 per gallon.

Gum arabic, No. 1, 50-55 cents a lb.

Gum asafetida, \$1.65-\$1.80 a lb.

Camphor, \$1.00-\$1.10 a lb.

Shellac, 70-80 cents a lb.

Liquid styrax, not U. S. P., and practically of no real value, \$7-\$8 a lb.

Gum tragacanth, No. 1, \$2.60 a lb.

The above prices are given simply to indicate present conditions.

Harlem oil has not been obtainable for some months past. It is hoped every week that a shipment will be made but no one can tell when this will take place.

Hypophosphites are extremely scarce and are very much higher in price.

Licorice extract is in small supply and very high. Formerly licorice root was brought from Mesopotamia in shiploads. Now such shipments have been discontinued. Spain has been our principal source of supply. That country has made a little fortune out of this one root, the price having gone up several hundred percent and the quantities she shipped being increased in about the same proportion. Powdered extract of licorice is worth about 90 cents. Corigliana licorice is unobtainable. Select licorice root, in bundles is worth about 30 cents.

All the preparations of magnesia, including carbonate and calcined, have largely advanced.

Naphthalene this year has been selling at 15 cents a lb. for balls and 13 cents a lb. for flake. Supplies have become smaller than usual and it has been largely used in making dyes.

The oils have been more gradually affected than other prices but are gradually advancing in price. Newfoundland cod liver oil is equally as good as the Norwegian and we have discontinued handling the latter article. The present price of the best Newfoundland is \$90 per barrel.

Linseed oil has reached the imposing price of \$1.35 per gallon in barrels.

Machinery yellow olive oil has kept step with linseed oil and is worth \$1.80 per gallon in barrels.

Table olive oil of reliable quality is worth \$3.50 per gallon.

Mercury in flasks is selling about \$95 for 75 lbs. Mercurials are selling at proportionate prices.

All potassium salts remain on their high altitudes; potassium permanganate is worth about \$4.50 per lb.; yellow prussiate of potassium about \$1.25 per lb.

Roots have advanced and while the prices may ease off a little during the summer a small demand will advance them.

Mexican sarsaparilla root is extremely scarce and supplies of scammony root are largely diminished.

Senega root has been difficult to get.

The same general remarks apply to seeds. Colchicum seed, \$3.50; coriander, 35 cents; German fennel, \$1.00; flaxseed in barrels, 8 cents; foenugreek seed, ground, in bbls., 14 cents; grains of paradise seed not obtainable nominally, \$4.50 to \$5.00 lb.

The prices here quoted will give an idea of conditions.

Conti's Soap, by the box, \$12.00.

Sugar of milk is almost unobtainable in quantity. The manufacturers quote nominally in 1-lb. packages at 45 cents a lb., but can supply only in a very small way.