

Finally, we must inject more of our own personality into the business. Our customers are more than customers—they are our clients and they demand our personal attention. There is no store where personality counts for more—we must give our own services—without stint.

THE CHAIN STORE.
ITS INFLUENCE ON PHARMACY, AND IN GENERAL.
DESIRABLE LEGISLATION.*

BY FRANK H. FREERICKS.

Years of occasional study and thought have brought me to conclude that the "Chain Store" is an evil; its claimed advantage to the public infinitesimal, as compared with the harm which it imposes. This in my opinion is true, not only in retail pharmacy, but it is generally true. I do not ignore the claimed advantages, and admit there may be some, but these are disproportionately with the Chain Store owner, who is bringing into retail business an attempt to monopolize—to secure more than a fair share. It will be my endeavor in this paper first to briefly point to the harm which I believe is done to retail pharmacy, in particular, by the Chain Store, and then to the harm to it in common with all other lines, or, to be more exact, the public harm.

It is my claim that true pharmacy and its up-holding rests substantially upon the ideal, rather than the material; that the Chain Store, in pharmacy, is concerned only with the material—the need of money gain. It, consequently, is destructive of the ideal, and, as it continues to grow, it reduces the opportunity for true pharmacy. The spirit of public service, of serving humanity, other than as a means to better attract dollars, cannot be known or exercised by the Chain Store owner. It is dollars he wants, and the method that best brings the dollar must always be his method. In passing, it may not be out of place to touch upon the thought, more or less frequently expressed, that good may come to pharmacy out of the Chain Store, because it tends to educate the public in learning to discriminate, and in becoming more ready to support "exclusive pharmacies," so that their establishment would thus be encouraged, but I see little chance for this. It is possible that the commercial instinct will induce the Chain Store owner in the larger cities to establish Central Depots or one Depot, for the compounding of prescriptions, but then his other stores will be made feeders and way-stations. The Chain Store owner knows too well the value of a pharmaceutical mantle—that prescription and strictly pharmaceutical work gives him standing, which otherwise he would not have, and either directly or indirectly brings profit to him. As derogatory influences which I believe the Chain Store to have, particularly on pharmacy, I would enumerate the following:—

1.—The Chain Store owner, if he happens to be a trained pharmacist, allows his professional training to become entirely submerged by his pursuit of commercial success. The trained pharmacists employed by him are kept so busy with

* Read before Section on Education and Legislation, A. Ph. A., City of Washington meeting, 1920.

the every-day machine-like routine laid down by the rule of dollars and cents, that they are, or become, entirely removed from a desire for higher and better things in pharmacy.

2.—Noticeable trend and desire, at least in the larger cities, to place American pharmacy upon a more professional basis is hindered and retarded by the purely commercially minded Chain Store owner, who with his astute method of using printer's ink, educates the public mind to look for its prescription and pharmaceutical work, where doll babies, alarm clocks and lunch counters are a considerable stock in trade.

3.—It may fairly be estimated that the drug and drug accessory output of every Chain Store is on an average equal to the output which will maintain five fair-sized independent pharmacies. This business of every Chain Store is carried on largely with unregistered floor help and, as a rule, is under the supervision of two or three registered pharmacists. Thus every Chain Drug Store replaces or prevents the existence of five regularly conducted pharmacies, each owned by a registered pharmacist, having in his employ at least one other educated registered man. The three registered men used in conducting one Chain Store take the opportunity of existence from ten registered pharmacists, under normal and desirable conditions. The net loss to the public and to pharmacy is the activity of seven educated men, usually a credit to the community and adding to its cultural life. The activity of ten men in pharmacy and pharmaceutical work, (who each would have a direct personal interest in it, and at least some leisure time while on duty, for experimental work, some of whom would use that time and some of whom would become engaged in Association activity and its post-graduate work), is made impossible by the existence of every established Chain Drug Store.

Turning to the Chain Store as a system in all lines of retail business and endeavor, the harm which is of a public nature—of a general nature—becomes far more extensive and destructive in its scope. In order to truly measure it, we will not overlook its claimed advantages. Usually these are summed up, or may be summed up, in the economy of large output and large purchasing power which presumably goes to the consuming public; rapidity of turn-over, assuring fresh stock; cleanliness and attractiveness, at least in appearance. It seems to me, that the economy of large purchasing power and turn-over is more than offset by the high rental and expensive location and equipment, and by the waste which is always found where immediate personal supervision is lacking. Large turn-over and a greater consequent freshness of supply is only a seeming advantage because to this time the field of the Chain Store has been in the larger cities and the close proximity of jobbing and wholesale houses, the need to buy only in small quantities, assure an equally fresh supply for the business having smaller output. Special attractiveness, neatness and cleanliness, if they exist out of proportion, seem to be more superficial than real. It may be for the eye, but is it in fact? After every claimed advantage which the Chain Store professes to give the public is given consideration it may substantially be reduced to the one which professes to enable the public to buy more cheaply. It is true that the Chain Store has set the pace in the cutting of prices, and if this is creditable from any point of view, the credit must be allowed it, but is it really worth-while? To find the correct answer we cannot take the isolated individual who buys some

well-advertised proprietary at cost, and saves 33 cents, or many times 33 cents on such collective isolated purchases, but from the public point of view we must include the whole output and all the purchases; we must include the purchase of needless things which is induced by cut-rate attraction on some leader, and when it is all summed up, it is fair to conclude that the consuming public in the final analysis has fewer dollars and cents than it would have if there were no Chain Stores. Admittedly the Chain Store to-day is most concerned with the question of how high the price can be put on advertised leaders to still serve as a drawing card. The present-day largest fly in the Chain Store ointment is the fact that the regular merchant will not charge as much as he would like him to, and it is but natural that this should be so, because of the out-of-proportion expense which the Chain Store owner must bear before his output can begin to realize a profit. In truth, when the various details and factors are considered together, and as a whole, the buying advantage for the public from Chain Stores is imaginary and not based upon fact.

Coming now to consider, on the other hand, the direct disadvantages which accrue to the public, an analysis is startling and overwhelming. There are Chain Store Systems which include a thousand or more retail places of business in the same line, covering the entire or a large part of the country. There are communities in which a single Chain Store System operates fifteen to twenty percent of all the retail places of business in such line. There are communities in which Chain Stores in certain lines do fully half or more of the entire retail business in such line. There are a number of Chain Store systems operating with capital of from one to ten million, and even having or proposing up to fifty and one hundred million dollars, where the average investment in such lines for single stores is not as much as five thousand dollars. What does it mean and where will it lead?

Twenty-five Chain Drug Stores in a single community take the place of one hundred and twenty-five average Independent Drug Stores. Two hundred and fifty Chain Drug Stores take the place of twelve hundred and fifty average Independent Drug Stores. One thousand Chain Grocery Stores take the place of five thousand average Independent Groceries. These two will serve to illustrate in every retail line. Because of every Chain Drug Store about five retail pharmacists are prevented from going into business on their own account, and every store prevents from five to seven from becoming engaged as registered pharmacists. Every Chain Grocery Store prevents the operation of five regular Independent Groceries. Allowing that each such store must be in charge separately of a manager, who is satisfied with his opportunity and position in life as he would be if conducting his own place of business, there are, nevertheless, for each such store four individuals who may never hope to own and conduct their own business, and who otherwise would. How many thousands of Chain Stores in all the different retail lines now exist throughout the country it is not possible to determine, but only twenty thousand of such stores deny an independent conduct of their own business to one hundred thousand people. It is likely to be more nearly true that collectively there are one hundred thousand Chain Stores denying independent existence to a half million. This is only one of the condemning features. Every Chain Store in every line is dependent for its financial success upon the

largest use of unskilled and cheap help. Help that, outside of those holding the few responsible positions, never realizes a sufficient return to support a family and frequently not sufficient to support themselves. It surely is conservative to assert that every Chain Store takes the opportunity of five men who otherwise would hold positions and have sufficient earning to support a family. It is not too much to say that even to-day the Chain Store System throughout the country in various lines destroys or prevents the existence of half a million American homes, and what does it give the American people in return? The life of a community, the life of a nation, the happiness and prosperity of the people which it includes, depend upon their productive activity and the service which they render each other and for which they receive a living return to themselves and their families. Is it possible for any sane person to contend that the Chain Store with such advantages as it professes to offer does one-hundredth part as much good as it does harm? Even beyond this we must regard its influence on the political life of the individual and the nation.

Socialism and its spread is the dread of many. It is not my purpose to discuss it; I merely want to point out to those who dread it, and who fear the loss of initiative and individual effort, that the Chain Store Evil is rapidly undermining one of the few solid props upon which our present form of Government is built. The main bulwark against Socialism to-day are the farmer, the retail merchant and the professional man. To change the conditions which in the past have called for the retail merchant, or if we allow a change to take place which closes the door of hope to the vast number who have been accustomed to enter retail lines, we to that extent deliberately increase the supporters of Socialism. Our country has become great, and become what it is because it offered an equal opportunity for all. This condition has already been largely disturbed because of the growth of the so-called natural monopolies, and because of the vast aggregation of capital which is used for the exploitation of industry and manufacture, but justified to a large extent by the resulting economy if held under proper control and supervision. Nevertheless, this rapidly growing change in our industrial and manufacturing life has created a vast army of people who may never hope to conduct and own their own enterprises, who may never reach that point of independence in life for which it is human nature to strive. To this vast army of people, always realizing that they and their children will work for others and hold dependent positions, it matters but little for whom they work, and naturally they incline to a socialistic condition wherein everyone will be in their position. Allow capital and individual greed to, in the same manner, and altogether artificially, secure control of retail business, so that it will be conducted and owned by the few, compelling the many who otherwise would be independently engaged therein, on their own account, to work for others, to have no hope of securing sufficient capital that they may successfully compete with those who are using millions, and you add to the existing vast army another one of almost like proportion which naturally will incline to favor the socialistic state. The Chain Store, as I see it, is indeed an evil, which threatens the very foundations of our present form of Government. Only lately we have had in pharmacy a convincing illustration. Drug clerk strikes were undertaken or threatened in many of the large cities of the country. Does any one believe that such a movement would have

been thought of if the Chain Store did not exist? I believe that the evil which I have sought to point out is quite generally recognized or can be on even a casual study. If it admittedly exists, where can a remedy be found?

The power of capital unrestrained compels the suffering of many evil conditions. It is farsighted and many-sided. It is used to train the public mind to accept readily an apparent immediate small advantage and to disregard the far greater but not so immediate disadvantage. This is true in the exploitation of retail business along unnatural lines. The public may see the harm but stands ready to suffer it and even to support it, until the way is pointed out in which by collective action control is sought and secured. Legislation seems to hold the only effective remedy and fortunately in this connection legislation can be both precise and effective. We now have the Sherman Act, and the various State Anti-Trust Acts, which make "an intent to monopolize" a crime. Judicial decision to a small extent has pointed the way. It has been held, and correctly so, that the use of capital to secure control of a large portion or the larger portion of some single line of endeavor or business is "an intent to monopolize." Only because hundreds of millions are invested to carry out such intent and to recognize it, in industry and manufacture, has the use of smaller capital in retail lines, but with equally harmful effect, escaped notice. Because of the comparatively smaller amount of capital needed to attempt monopoly in retail business it may hope to further escape recognition of the "intent to monopolize" unless explicitly defined by Legislative enactment. I am of the opinion that the Chain Store System must be checked for the public good, and that it can be readily checked by defining an "intent to monopolize" to be the ownership and control of more than a certain number of business places by the same person, firm or corporation when engaged in the distribution and sale of goods and merchandise other than of their own manufacture and production. It is time for the retail business interests to bring this important question to public attention, it is time that our national and state legislators be called on to meet the situation.

ABSTRACT OF DISCUSSION.

C. O. Ewing considered the objections raised by Mr. Freericks largely as hypothetical. The inception and continuance of Chain Stores in all lines are responsive to public demand for convenience and economy.

L. F. Kebler agreed with Mr. Ewing in part and viewed the harmfulness of Chain Stores in that they are owned and controlled by corporations who have no great interest in local affairs. Their main object is to get the money and, the stores being owned by corporations, the individuals have little civic pride nor do they contribute to developments in the city where the stores are located.

F. E. Stewart considered that growth of Chain Stores was not an argument for their worth to the community. Harmful promotions develop, but that does not signify that they are needful or of value to the public.

C. O. Ewing added to his argument by saying that Chain Store systems reduced the cost of distribution, and that the item of expense due to cost of distribution added largely to retail cost of goods.

Henry Kraemer stated that Chain Stores were doing away with prescription departments, that is, in some of the stores of the System. This would to that extent do away with registered pharmacists.

William Mansfield referred to manufacturing on a large scale by the Chain Stores, supplying pharmaceuticals and other products to the stores of the System. The products of manu-

facturers and to some extent of the U. S. P. and N. F. were displaced by their own. The manufacturing is done under supervision of experienced men but these are few in number compared to those who are qualified by education for their work.

Frederick J. Wulling emphasized the foregoing remarks by saying that the Chain Stores would probably aid in the separation of drug stores and pharmacies. He viewed the Chain Store System as a commercial enterprise; that the ideals seemed to be "to increase the income of the stores."

Mr. Freericks closed the argument by adding to the remarks of the foregoing speakers and references to parts of his paper. He contended that it was not for the best interests of pharmacy and the people to have a large number of untrained and uneducated men working under a few thus qualified. His proposal to provide legislation contemplates the limitation of the number of stores in any one chain of stores.

THE DETECTION OF INORGANIC PHOSPHATE IN GLYCEROPHOSPHATES.

J. L. Lizius in a paper before Liverpool meeting British Pharmaceutical Conference refers to the U. S. P. test for inorganic phosphate in the glycerophosphates, showing that the amount of substance to be tested should be .1 Gm. instead of 1 Gm.

He also refers to the test of Scott and Plimmer (*Jour. Physiology*, 1906, **35**, 120-1) for detecting minute quantities of inorganic phosphate mixed with organic phosphorus compounds. The reagent consists of,

Ammonium molybdate (10% solution)	80 Cc.
Hydrochloric acid, sp. gr. 1.16	12 Cc.
Ammonium chloride	20 Gm.
Potassium persulphate, saturated solution	10 Cc.

Pour the ammonium molybdate into the acid with continual stirring, add the ammonium chloride, and when this has dissolved, add the persulphate. Allow to stand to allow any phosphate present in the reagents to be precipitated. Filter.

Excess of the reagent must be used—5 Cc. to 0.1 Gm. of the substance to be tested. If inorganic phosphate be present a precipitate will be formed in a few minutes; if organic phosphates be present a precipitate is formed on boiling. The author states that this reagent will denote the presence of 0.001 percent of inorganic phosphate in glycerophosphate.

THE DETERMINATION OF FREE ACETIC ACID IN ACETYL-SALICYLIC ACID.

A. Nutter Smith, in a paper before the recent meeting of the British Pharmaceutical

Conference (*Ph. and Jour. Pharmacist*, July 24, p. 90), describes a new and accurate method of estimating free acetic acid in acetyl-salicylic acid. It has been found that in the majority of instances free salicylic and acetic acids balance substantially; when acetic acid is in excess it is probably due to retention of acid due to incomplete purification, and when deficient it intimates that acetic acid has volatilized. The B. P. coloration test for free salicylic acid is not very sensitive, and can easily be masked in a manner not so easily detected. Salts of acetyl-salicylic acid appear to hydrolyze into free salicylic acid and an acetate of the base, and it is certain that they possess no advantage whatever over the acid as found on the market to-day, containing free salicylic acid in amount sufficient to produce the gastric disturbance usually attributed to the salicylates, an objection which caused the latter to be superseded by the acetyl ester. Standards of 0.1 percent free salicylic and 0.05 percent free acetic acid are suggested for the drug, and double these amounts for tablets. If these limits are exceeded the controlling analyst would be justified in "failing" the sample, especially if recently prepared. It is well known that aspirin tablets on keeping tend to show an increase in the amounts of free acids present.

TANNED SPONGES.

According to the *Scientific American* an interesting process has recently been developed for increasing the efficiency and extending the life of sponges used for technical purposes, automobile washing, office use, etc.—in fact for all purposes except use on the human anatomy. It consists in a modified tanning process, and it makes the sponge take the water much better and act more satisfactorily in giving it up to the work.