

Section on Commercial Interests

Papers Presented at the Sixtieth Annual Convention

THE DRUGGIST AND THE PAY TELEPHONE. A CONTRIBUTION TO THE HISTORY OF THE INTRODUCTION AND USE OF THE PAY TELEPHONE IN THE DRUG STORE.

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THE NEW ORLEANS STORY.

About four years ago, working under the free lunch system of telephones, the druggists of the city of New Orleans were harassed and inconvenienced by their customers, and on several occasions, because of the antagonistic tactics adopted by the Cumberland T. & T. Co., in opposition to party lines, the service was, to say the least, very unsatisfactory. Parties desiring to use the phones were annoyed by the long delay in getting the person whom they desired. Under these conditions the O. P. Association appealed to the N. A. R. D. Telephone Committee at headquarters, and in reply to this appeal the late Mr. McDonald wrote to the Association that if they would stand his expense to New Orleans, he would endeavor to straighten out matters. After discussing the situation from all sides, it was decided to decline the offer.

A few months later, The Independent Telephone Company, of St. Louis, asked the City Council for a franchise. The druggists became active and favored the granting of the said franchise. The Cumberland T. & T. Co., hearing of this action, requested the Orleans Pharmaceutical Association to allow them to send Mr. McDonald and their general soliciting agent to New Orleans, with a view of recommending a service which would be satisfactory. Complying with that request, a meeting between the representative of the Telephone Company and the Association was arranged, and on March 31st, 1908, an agreement was entered into between the above named parties for pay phones to be installed in each drug store, on a basis of \$4.50 per month for the Telephone Company, and 50 percent of all above that amount to go to the druggist and 50 percent to the Telephone Company. No guarantee as to the amount of receipts.

Realizing the up-hill work that this would entail upon the Committee, it being a new venture, a clause was inserted stating that the contract was not to be binding until after a six months' satisfactory trial. When the Committee called upon the druggists with this proposition they met with all kinds of objections, some druggists going so far as to state that if they put a pay phone in their stores for six months, that before the expiration of that time they would be out of business. With all the objections, however, the Committee succeeded in securing

a sufficient number of druggists to sign the agreement, and it was put into effect. At the expiration of the six months' trial, it was gratifying indeed to learn that not a single druggist in the city of New Orleans would part with the pay system, and every drug store was in line.

The benefits from the nickel-in-the-slot machine, both to the druggist and the Cumberland T. & T. Co., are very gratifying, some of the druggists receiving as high as \$60.00 per month for their share of the tolls. It is doubtful if the druggists would part with the pay system, as the service is satisfactory. The customers are pleased, and thank the druggist with a pleasant smile after using the phone and paying for same.

GEORGE S. HUMPHRIES,

Member of Telephone Committee.

THE PHILADELPHIA STORY.

Mr. Garwood gives the following information: He states that from 1895 until 1905 he represented the Telephone Company in all matters brought up by the Druggists' Association. He remembers from time to time of entertaining representatives of the Druggists' Association, but to the best of his recollection he was never in receipt of any official communication from them or received a call from an official representative.

As he remembers the druggists' pay station conditions in Philadelphia during that period, the druggists first asked the Telephone Company to put in pay stations, when they were not equipped with sufficient plant to enable them to put in the telephones. Afterwards, the Telephone Company attempted to install pay stations in all drug stores, but that the druggists could not agree with the Telephone Company, claiming that the commission to be allowed them was not sufficient for the labor performed and the space given over for the service. Then, later, the druggists saw the advantage to them of having pay stations in the stores, but the Telephone Company was not willing to pay them the commission demanded. Unfortunately, Mr. Garwood does not remember the basis of the commission offered at that time, and there is no record in this office to furnish this information.

W. W. HENDERSON, Cashier Bell Telephone Company.

THE PITTSBURGH STORY.

In the beginning there was no relation, not even the much despised "poor relation" between the druggists of this city and the Telephone Companies. The druggist simply took his place in line with the multitude and took what he could get, as one of the proletariat.

As soon as the people learned that there was a telephone at the drug store, free to all comers at nothing per, the lines got busy at once, at the cost of the druggist, of course. Sometimes when there chanced to be a break in the stream of neighbors long enough to permit it, the druggist got his chance to do a little business on the line himself. Any customer who might want to telephone an order to the drug store occasionally was surprised to hear central say in response to the call for the druggist's number, "All right," but in most instances it would be "Line's busy." And all this time the druggist paid the freight.

Of course, it would be manifestly unfair to lay the blame for such conditions

at the door of the Telephone Companies, for it was the fault of the subscriber, who was allowing himself to be imposed upon. The loss fell, perhaps, as heavily upon the company as upon the druggist who permitted the abuse to continue. So when, through the efforts of the Telephone Committee, the Western Pennsylvania Retail Druggists' Association took up the matter of improving conditions, it did not take very long to convince the Telephone Company officials that much business was being done over its lines for which it received no remuneration; while, at the same time, the druggist was receiving neither remuneration nor recognition for service rendered to the dear, cheap public.

In the beginning of the "pay-as-you-call" system, the drug store phone outfit merely consisted of a wall set and a slot box into which the person desiring to use it was required to place one dime. The druggist whose box receipts showed over \$10 per month received 10 percent of all moneys over that amount. It was soon demonstrated that a 10-cent call was too high to become popular, and returns were not satisfactory to either the telephone company, the druggist or the public. Right here is where we succeeded in getting the Bell Telephone Company to adopt a more liberal policy all around, and in consequence we now have a contract under the terms of which the Company, at its own expense, installs a booth with complete outfit in the drug store, and the person calling must deposit a nickel before the party called is placed on the line. The druggist guarantees \$5 per month for service, and for all moneys over that amount he receives 20 percent commission, on local calls only. For long-distance calls, a smaller payment, but in the average drug store these are not frequent and as they usually involve a division of fees between two or more telephone companies, the commission must naturally be less.

The Telephone Company pays the druggist a fair sum for any messenger service required of the operator.

Conditions, and our relations with the Telephone Company, since this contract between the Bell Company and the W. P. R. D. A. has been in force (since October, 1909), have been very satisfactory, and the old-time loss and annoyance have been replaced by a paying side-line. The installation of booths resulted in greatly increasing the number of patrons, as did the reduction from 10 cents to 5 cents also.

The next thing the druggist must do is to have nerve and business sense enough to treat the stamp selling nuisance in a similar manner. The success of the telephone revolution shows conclusively that the public will pay for what it wants, but so long as the druggist is satisfied to supply its needs for nothing, let the fool fellow have his fill of it. That's how many people look at the free lunch proposition.

B. E. PRITCHARD, Secretary W. P. R. D. A.

THE ST. LOUIS STORY.

Individual protest against the free telephone abuse in St. Louis took the form of a combined action of the Retail Druggists of the city during the administration of Charles Reimer, as President of the St. Louis Retail Druggists' Association, and resulted in an ultimatum being issued to the Kenloch Telephone Company to either install slot phones or remove the phones from the drug stores owned by the signers of the protest.

Much work towards combined action of the druggists was done by A. S. Ludwig, R. C. Reilley, E. A. Bernius, M. J. Noll, and Mr. Reiner, assisted by Joseph McDonald, of the American Telephone Company.

Much publicity was given the movement, and it appears from a casual observation to be surely crowned with success.

Almost every druggist signed a personal letter to the Kenloch Telephone Company, terminating his telephone contract and authorizing the removal of the instrument. These letters, or a major portion of them, were turned over to the Committee to be presented to the Company, when a rumor was circulated that through this combined action of the Association there might follow some legal complications, and there were but a few hours left to get the letters into the hands of the Company. Some of the intrepid allowed the letters to go in and some had the phones taken out, but a majority of phones remained in use, unaffected by the action.

The slot fight was lost, and the Kenloch phones are today in operation without a slot or pay device.

During the administration of H. O. A. Huegel, as President of the St. Louis Retail Druggists' Association, a telephone problem was presented by the Bell Telephone Company; that of withdrawing a scale percent of contents payment and place all phones, active or otherwise, productive or non-productive, upon a flat basis of 10 percent. Mr. Huegel entered into the fray with the same vim and activity that marks his every movement in pharmacy, and took the matter to the Public Service Commission of St. Louis and had every druggist in town up in arms against the Bell Telephone Company.

It is needless to say that the Bell Telephone Company did not place all the slot phones upon the same basis, and today the druggists are using the Bell phone under a contract of this nature:

The druggists guarantee 15 cents per day and get 10 percent of the contents of the box on a basis of 15 cents per day; or they guarantee 20 cents per day and get 20 percent of the contents on a 20 cents per day basis; or they guarantee 30 cents per day and get 30 percent; or 40 cents and get 40 percent.

This gives the good telephone corner a fine profit upon the space occupied by the Bell phone, and from all outward appearances and confidential expressions by the druggists, the telephone question is settled for some time to come.

W. H. LAMONT, St. Louis, Mo.

THE NASHVILLE STORY.

I find that the agitation started about five or six years ago, when the public use of the druggists' telephone became almost unbearable, both to the exchange and to the druggist, who was kept out of many sales by his line being busy, on account of which the Company had to furnish more operators. Tab was kept for ten days on the number of calls through drug store telephones and it was found that they ran from twenty to fifty, with an average of about forty. So, about two years ago, before the present arrangement was made, a committee of druggists, of which Mr. Ira B. Clark was Chairman, called on the manager and tried to come to some understanding, but failed at the time, and after about two years the present contract was entered into, the principal features of which are: The

contract is for five years, the Company furnishes the booths free, the first three calls each day go to the Telephone Company, or \$4.50 per month, and all over that amount is divided equally between the Company and the druggist. The druggist gets 10 percent on all long-distance calls. He pays the same for his calls as others do, but to the City Hospital, Police and Fire Departments are free.

An extension line runs from most of the booths to the prescription counter, for which the druggist pays \$1.00 per month. Many of the downtown druggists have two phones, one being free, for which they pay \$7.00 per month, the same as other subscribers, but agree that they will not use this phone except for business calls. The contract has been in force about three and one-half years, and all parties appear to be perfectly satisfied with the arrangement. The druggist's telephone is a business getter instead of an annoyance to himself and an expense to the Company, as it was before the agreement.

J. O. BURGE.

PROTECTING THE PRICE.

Many manufacturers insist on the price of their product being maintained on a basis that insures good profit to every one who sells it. Why? Simply because they understand human nature and can sense the trend of the times. The manufacturer who simply "encourages" the maintenance of a fixed price never did and never will amount to anything as a price protector. The manufacturer who says he is "trying" to protect prices because he is "in sympathy with the retailer" is simply begging the question and has no backbone. Such an one does not deserve to have any co-operation from the retailer and should be turned down hard every time.

The wise manufacturer, the man who has the right stuff in his make-up, and who says emphatically to every one who sells his product that he will not permit their being sold without a profit, and insists firmly on his stipulation being carried out for the very excellent reason that it protects his own business is on the right track and will succeed.

Successful price maintenance requires something more than encouragement. You can encourage a wagon all you want to, but that will not make it move. The wagon must have some motive power attachment, a real force only will produce the desired effect. Hypnotism won't do the stunt.

The successful manufacturer of the future will know that a profit *must* be made on his product in order that "his life may be long in the land." That manufacturer who fails to recognize the right and necessity for the storekeeper to have a fair profit and does not compel him to take it, will fall by the wayside "and the place thereof shall know him no more."—*The Pittsburgh Druggist*.