

LEGAL AND LEGISLATIVE.

SALES TAX PLAN AS ENFORCED BY
CANADA OUTLINED.

ARGUMENTS IN FAVOR AS WELL AS AGAINST
SYSTEM ARE REVIEWED IN REPORT BY SUB-
COMMITTEE OF HOUSE.

The manufacturers' sales tax as applied in Canada produces substantial revenue, is easily administered and is "painless" to the taxpayer, but it violates the principle of ability to pay, and has other defects, the sub-committee of the House Committee on Ways and Means which has been investigating double taxation said in its preliminary report, just made public. A summary of the arguments for and against the sales tax, included in the sub-committee's report, follows in full text:

ARGUMENTS IN FAVOR.

The principal arguments that have been advanced by the proponents of the limited manufacturers' sales tax include the following:

1. It produces substantial revenue.
2. The cost of collection is low.
3. It is easy to administer.
4. It has a broad base, permitting all citizens to contribute in some measure to the support of the Government. The income tax, on the other hand, touches only a very small group of the whole body of citizens.
5. It is a painless tax, since it is not imposed directly upon the consumer but instead is levied on manufacturers' sales, and if it is passed on it does not appear in the retail price as a separate item.
6. As a tax on buying power, which is always present to a certain degree, it is a good revenue producer in bad times as well as good times.
7. It is paid when the taxpayer has money to spend.
8. As the rich buy more than the poor, and pay more for what they buy, they will contribute more tax.
9. The rate is low and uniform, and most necessities are exempt.
10. Pyramiding is eliminated, so that the tax is paid but once on the sale of any given article.
11. The tax will not affect business any more adversely than some other form of taxation.

ARGUMENTS AGAINST.

Among the arguments advanced by the opponents of the Canadian sales tax the following probably are the most outstanding:

1. It is a tax on consumption, and to the extent that it is shifted to the consumer it increases the cost of living.
2. When borne by the seller the tax discriminates unfairly in favor of business with small total sales and high profits and against those with large sales and small profits, and is, in effect, a tax on gross income under such circumstances.
3. When borne by the retailer, it imposes the sole burden on him, thus discriminating in favor of manufacturers and wholesalers.
4. When shifted to the consumer, it is a gross violation of the principle of ability to pay.
5. As between taxpayers with equal incomes, the sales tax falls most heavily on those with the greater number of dependents.
- Although the rich man consumes more than the poor man, and buys more expensive goods, the larger tax that he pays is not in proportion to his wealth.
7. The sales tax is an income tax in reverse, since it is levied on outgo instead of income.
8. The tax being an element of wholesale cost, the profit of the retailer includes a profit on the tax. Thus the tax takes more dollars out of the pockets of the consumer than it puts into the hands of the Government.
9. Being an easy revenue producer, it is likely to be conducive to governmental extravagance.
10. Administration of the tax is not as simple as is supposed, especially where there are many exemptions.

STATE LEGISLATION.

Oklahoma H. B. 43 proposes to prohibit the possession and distribution of veronal, barbital, luminal, chloral hydrate, bromidia, somnos, marihuana, Indian hemp, hasheesh and loco weed, except on the prescription of a lawfully authorized practitioner of medicine, dentistry or veterinary medicine. H. 48, to amend the law, authorizing the Governor to prescribe regulation for the sale of alcohol to hospitals, clinics, laboratories and other scientific institutions, proposes that alcohol purchased from federal bonded warehouses or

from wholesale drug houses, in compliance with the laws of the United States, by hospitals, clinics or laboratories for routine medical use, may be transferred without a permit being first secured from the Governor or without the purchaser being bonded under the provision of the law.

South Dakota H. 3, to amend the pharmacy practice act, proposes (1) to permit persons other than registered pharmacists to sell in original packages patent or proprietary medicines and (2) to permit any person of good moral character who conducts a retail place of business to be licensed annually by the state board of pharmacy to sell in original packages simple household remedies.

A California bill permits physicians in good faith to prescribe or furnish narcotic drugs to patients suffering with incurable diseases, ailments or injuries other than narcotic addiction, and to require physicians prescribing or furnishing narcotics to habitual users to report that fact by registered mail to the division of narcotic enforcement.

A Georgia bill seeks to amend the pharmacy practice act, proposes to require all applicants for registration as pharmacists to be graduates of schools of pharmacy recognized by the board of pharmacy and, in addition, to have twelve months of practical experience in a place where prescriptions of physicians are dispensed by licensed pharmacists. Under the present law, applicants can be licensed after examination if they have had thirty-six months' actual experience in a pharmacy or have graduated from a school of pharmacy.

A Missouri bill proposes that (1) all examinations required by law as a condition precedent to the right to practice any profession shall be in writing and all examination papers shall be kept on file in the office of the proper board, subject to public inspection, for at least one year; (2) a rejected applicant shall have the right to appeal to the courts and in that proceeding the board shall submit a certified copy of the applicant's examination papers; and (3) three examiners each for dentistry, chiropody, osteopathy, chiropractic, nursing, optometry and pharmacy, be appointed by the board vested by law with the authority to license, the finding of the examiners to be conclusive on the board.

Arkansas H. B. seeks to repeal the Inspection Tax on drug stores.

Arizona proposes a sales tax of $\frac{1}{2}\%$ upon necessities and 2% upon non-necessities.

California is considering repeal of the Narcotic Enforcement Act and to amend the Drug Addict Act; a bill is proposed to outlaw the Trading Stamp and repeal the Anti-lottery Trading Stamp; seeks to tax chain stores up to \$35.00 on each store over twenty; to further restrict sale of narcotics; to transfer the functions of narcotic enforcement to the board of pharmacy.

Colorado seeks to enact an anti-trading stamp law; provide a 5% sales tax. A tobacco tax is being considered in Arkansas, Colorado, Georgia, Iowa, Oklahoma, Oregon and in other states.

Illinois is considering a chain store tax; also Georgia, Iowa, Kansas, Maine, Massachusetts, Minnesota, Nebraska, New York, Washington, West Virginia and other states. These taxes vary greatly.

Kansas seeks to prohibit the planting of cannabis.

Various phases of narcotic legislation are being considered in quite a number of states. A suggestion is made that great care should be exercised in framing legislation that will add materially to expenses of the respective states, when the Federal law is sufficient. Such legislation may mean an additional burden; secretaries of state associations have been supplied with suggestions that have received careful consideration by the National Drug Trade Conference.

Sales, special or both types, are having consideration in all states; additional income by states and by the Federal Government is required, but legislative committees have responsibilities, for the many items of drug stores are very apt to become burdensome—there should be fairness; it is much easier to impose taxes than to repeal them.

SOUTH DAKOTA OWNERSHIP BILL.

A bill has been introduced in the legislative assembly of South Dakota, seeking an amendment to existing laws which would provide that no person other than a registered pharmacist could open or conduct a pharmacy for retailing drugs, medicines or poisons. The bill provides that any person not being a registered pharmacist, who shall compound or dispense drugs or medicines or poisons will be guilty of a misdemeanor, and upon conviction be punished by a fine of not less than \$50.00, nor more than \$100.00, or by imprisonment in the county jail.

NEW YORK PHARMACY OWNERSHIP
CASE WILL BE TAKEN TO U. S.
SUPREME COURT.

The decision of the New York Court of Appeals nullifying the Pharmacy Ownership Law and making it legal for any corporation or individual, whether pharmacist or layman, to own and operate a drug store by having a registered pharmacist in charge, will be appealed to the United States Supreme Court. Meanwhile, no certificate of registration will be issued to a non-pharmacist or a corporation for the conduct of a pharmacy.

The Pennsylvania law, the New York State Pharmaceutical Association, appearing in the action as *amicus curiae*, points out, carried a provision which made it impossible for existing corporations within the state to open additional stores. This is not true of the New York law, under which it was possible for corporations owning drug stores in the state at the time the law went into effect to purchase, or open new outlets.

It has been further noted by the Association that the Pennsylvania law was admittedly a measure designed to curb the growth of chain systems. The New York law was passed as a public health measure. While the bill was being debated in the legislature, both physicians and pharmacists appeared to testify that the law was needed to supply adequate protection to the public health.

NEW MEXICO PHARMACEUTICAL
ASSOCIATION.

President David L. C. Hover in a letter to the members expresses his opinion that a sales tax in some form will be put on the legislative books. He is in favor of a general sales tax, at a small rate with no exceptions granted to any class that does not at present carry a sales tax. He is not in favor of special taxes and, on general principles, he is against an income tax; if this is necessary, such tax should fall heaviest on those that pay no property tax.

MEDICINAL LIQUOR BILL
ADVANCED.

A sub-committee of the House judiciary committee has approved the bill introduced by Representative Emanuel Celler of New York to remove restrictions on the prescription of medicinal liquor. The bill would remove the limit on the amount to be prescribed for any one person, leaving this to the discretion of the physician, and would remove requirements as to disclosing ailments. A system of stamps to be affixed to prescriptions by the physicians before they may be filled is provided as a guard against counterfeiting. The bill has the support of the American Medical Association and was suggested by the Wickersham commission.

BOOK NOTICES AND REVIEWS.

Organic Chemistry. By G. ALBERT HILL, Professor of Organic Chemistry, Wesleyan University and LOUISE KELLY, Professor of Organic Chemistry, Goucher College. P. Blakiston's Son and Company, publishers. VIII + 564 pages.

The authors state in the preface, "This text is planned for an elementary, but comprehensive one-year course in organic chemistry. It provides a survey of the subject for the student who will go no further in the study of organic chemistry and establishes a foundation not only for those who will study the subject more intensively, but also for those who plan to specialize in medicine or the biological sciences." A special feature in the text is a brief introductory chapter dealing with the historical development of organic chemistry. The subject-matter is presented in a

systematic manner and in a form which should facilitate the comprehension of fundamentals by students. The reagents and conditions necessary to bring about reactions are treated more fully than is usual in most organic texts of an elementary character. The nomenclature employed conforms with standard present-day practice. Biochemical and industrial applications of organic chemistry and the increasing importance of catalytic processes are emphasized. Information concerning the physiological action of many compounds is given. Questions appended to each chapter should guide the student in review and the problems should aid in the understanding of stoichiometrical relationships. The text is well written in a concise form and is notably free from errors in formulas and fact.

From the viewpoint of the pharmaceutical