

A BALANCE SHEET OF PHARMACY.*

BY J. H. GOODNESS.¹

Change is the one fixed law of nature, and by it every single thing is born, exists and dies. In that pattern the profession of Pharmacy, consisting of ideals, practices, rules and what we believe to be truths, slowly changes from the stresses and strains within it and without. Although we speak of the profession of Pharmacy as an entity, we know it to consist of many parts—some good, some bad. The good might well be called "assets" and the bad, "liabilities," which gives rise to the possibility of measuring the present status of the profession by the balance sheet method.

Goodness or badness is, of course, relative, and so changes with the angle from which viewed. It must also be remembered that seldom is a change all good or all bad, and finally that one is often induced or at least followed by the other.

If we restrict our balancing of values to the retail field of Pharmacy, we will find that some changes have occurred that can be classed in no other way than as "natural progress." Such changes include the utilization of new discoveries in unrelated fields, as for examples, new architecture and the radio. Other changes come as equalizations. There can be no doubt that the prolonged depression is in part responsible for our increased proprietaries, price-cutting, decreased prescription business and the compensating Fair Trade laws, own-label products of retail druggists and professional specialization in side-lines of the prescription department, as for example dental office supplies, and diabetic and dietary supplies.

If we can agree that any changes that decrease professionalism, decrease security or lower profits to a sub-subsistence level for the practitioner are liabilities, and that the reverse of these are assets, we can set up a balance sheet for retail Pharmacy.

To prevent the psychology memory-law of recency from overworking to our displeasure, let us consider first the liabilities of the profession.

The first liability is the increase in the percentage of prescriptions calling solely for proprietaries. Such a prescription calls for no exercise of professional skill, therefore lessens professionalism—its cost is higher than non-proprietary ingredients for the same medicinal effect, therefore lessens profit—it allows for a margin of profit commensurate with vending but not with manufacturing, and therefore affects economic security. Further it demands equal legal responsibility to that of store-manufactured prescriptions and so conclusively classifies itself as a liability

In 1931 the National Drug Store Survey showed that such prescriptions constituted "about 25%" of the total prescriptions. A 1938 survey, which I conducted on a small scale, showed that that percentage has risen to 45.23%.

The second liability is that of the multiplicity in these proprietaries. It is possible that the depression as well as competition under our capitalistic system of economy is reponsible for this. Original manufacturers enjoying large profits invited competition from new firms that duplicated the most profitable lines. With

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the depression all business dropped, and all manufacturers, finding themselves with tremendous capital investments and small profits, increased their lines. The oft-remembered understandings and gentlemen's agreements between manufacturers to specialize in types of preparations vanished. The result is our second liability.

The third liability is closely coupled with the second. Manufacturers, wishing to create "property rights" in their preparations, coined trade names for them. The same was done for organic chemicals developed in their research laboratories. So far there can be no complaint, for everything is legal, but when concerns begin affixing common chemical terms to their trade names, and by so doing dignify private property at the expense of science, the practice is a liability. The most common offense is the addition of "hydrochloride" after trade names.

The fourth liability is the fast growth of uneconomical hospitalization plans and insurances. While no pharmacist will deny the good-samaritanism of providing adequate medical care for those unable to obtain it because of their station in life, no one can praise any plan riding on the wave of attention for such a worthy movement for the sole purpose of exorbitant profit. Some of the plans offered to those who can afford medical care, are of this type. Non-profit groups that must build up a permanent fund for the assurance of their future service have an argument for charging a fairly high fee of participants, but where is the justification for the profit-concerns in charging the same premiums?

The fifth liability is the notoriety attaching to the profession of Pharmacy by the illegal sales of liquor and the abuse of licenses by a few of the unscrupulous.

The sixth and final listed liability is that of the prevalence of misleading advertisements. It seems some drug publications either overlook or sanction advertisements and summaries of advertisements which are misleadingly worded. To estimate the extent of this practice, I made a study of the advertisements appearing for the last three years in three separate publications. For statistical purposes one copy of each magazine was picked at random from the files and represented issues appearing in June 1937, March 1938 and July 1938. After eliminating duplications, it was discovered that 92 concerns were represented. Of these, 55 concerns or 59.7% were consistently accurate in the wording of their advertisements, 28 concerns or 30.4% consistently used misleading statements in their advertisements and 9 concerns or 9.7% alternated between accurate and misleading statements. In other words, 37 concerns representing 40.1% (2/5ths) of those advertising in the issues selected, used misleading statements. Presented in another form, the survey covered 242 deals and advertisements. Of these, 169 "ads" or 69.8% were accurately worded, 73 "ads" or 30.1% (3/10ths) were misleadingly worded.¹ Roughly, one out of three of the advertisements was false in one respect or another.

These advertisements were misleading in several respects, but mainly in that *margin* or *gross profit* was advertised as "your profit," "extra profit" and even "net profit."² As everybody should know, *gross profit* and *net profit* are not synonymous. In all accurate use the word "profit" implies *net profit*; there can be no other reasonable interpretation. The matter is not ambiguous. Misuse by business men can mean but one thing—misrepresentation.

¹ Advertisements offering "FREE" goods were not classed as misleading in this count.

² This "net profit" misrepresentation did not appear in the specific issues studied, but has appeared several times in other issues of the same publications.

While on the subject of "drug advertising," I might mention that in no other retail field is price and profit so strongly emphasized as in the pharmaceutical publications. This condition is a convincing index of the extensive and increasing competition in the fields of drug and drug-sundry merchandising.

Another observation of interest revealed by the investigation is that of the 242 advertisements studied, 208 advertisements or 85.95% of the total, offered something "FREE." From this, one can conclude that either the druggist is the most favored of all retailers, or that he (the druggist) had better wake up, insist on the abolition of all the wool-pulling, and demand that advertisements for him be expressed in terms of true cost per unit. If the "free" goods can be obtained by anyone and ONLY with a specified purchase, are they free or paid for when received?

The pleasant side of our balance sheet shows assets for which we all can be either happy or proud. The first of these is the Fair Trade laws. Although seemingly inconsistent with ancient legal doctrines, these laws have saved druggists from their own folly. More than one failure in the days not too far past was attributed to "competition," which usually meant not less business, but less profit because of a never-ending price war. In the past year several states supplemented the Fair Trade laws by a "minimum mark-up" law on certain products. While the constitutionality of these laws may be questionable, it is hardly possible that anyone shall contest them for they provide that wholesalers shall not mark up their products less than 2% and the retailers less than 6%.

The second asset is the increase of own-label products manufactured by retail pharmacists. While at first glance this may seem like heaping hot coals on an already overcrowded market of proprietaries, it is both a face-saving and profit-raising undertaking. By it the druggist regains the manufacturing privilege the drug manufacturer took away from him by releasing the flood of prescription specialties, and also regains the reasonable profit as well as the "control" of his customers through the repeat sales that result when the product is introduced to the druggist's clientele.

The third asset is the modernization of the physical assets of the drug store. The drug store has for a long time maintained the position of the "best dressed retail store." It is holding on to that claim by modernistic fronts, air conditioning and semi-open prescription departments. Besides creating an atmosphere conducive to high ethical practices and greater activity, it increases business.

The fourth asset is the availability to retailers of "review lectures" and "clinics." Pharmacists who so desire can now enjoy courses reviewing the latest developments in both business and the sciences of Pharmacy in a few states. The schools of pharmacy are fast "doing something" about their long-maintained idea that they owe a duty to their graduates even after graduation. High praise is due such schools. Two such coöperating institutions, the schools of pharmacy at both the University of Minnesota and Oklahoma, are now offering three- and five-day reviews of business and scientific developments once a year. All pharmacists await a growth of this practice. Pharmacy hopes they won't have to wait long.

The fifth asset is the increased use of the radio to advertise the profession of Pharmacy. Even though only for a fifteen-minute period once a week, the efforts

are reaping great gains. Boston's "Old Apothecary" program conducted by the *Apothecary* magazine is a single example of such fine work.

The sixth asset is the prevalence of prerequisite laws. Forty-four states now require applicants for Pharmacy examinations to be graduates of a school of pharmacy. This is bound to elevate the profession for the next generation, for by that time many of those having entered the profession by the short route of cram-courses-for-board-examinations will have either left the profession or will have acquired the respect for the calling existing in all those that know it well.

The seventh and last-listed asset is the new Federal Food, Drug and Cosmetic Act. In its provisions and enforcement lies many advances for retail Pharmacy. By its hands many nostrum are soon to breathe their last, and the few unscrupulous drug manufacturers of whom no one is proud, will be either reformed or liquidated. The law will make many changes, a few of which will directly affect the actions of retail pharmacists. To preview some of these future changes, let us look at the law a bit more closely.

On June 25, 1939 (one year after the signing of the bill) the new Federal Food, Drug and Cosmetic Act will come into force. Much has been written about the new law, some bad, some good, but nowhere to date has there been mentioned in the pharmaceutical press that part of the law which will directly affect many retail druggists.

Without benefit of the "Regulations" to be issued on the new law, it appears that the misbranding and the exemption sections (Sec. 502 and Sec. 503) are of special interest to all retail druggists in the District of Columbia, as well as to all druggists whose drug stores are located near state lines and who have customers across the state lines to whom they deliver prescriptions. For the first time prescriptions are included in the Food and Drug Law. As the law now stands, it appears that on and after June 25, 1939, all prescriptions (other than certain prescriptions for exempt narcotics and hypnotics to be later discussed) compounded by the District of Columbia druggists, and by those pharmacists who engage in interstate commerce (deliver, mail or send prescriptions across state lines) are subject to all the requirements of the labeling and misbranding section (Sec. 502) and can be exempted from it only if the prescriptions are:

I. Dispensed on a "written prescription" which is "signed" by a "licensed" physician, dentist or veterinary, and

II. If such prescription bears a label containing

1. The name of the business of the dispenser
2. The name of the place of the business of the dispenser
3. A serial number
4. "Data of such prescription"
5. The name of the physician, dentist or veterinarian.

In more simple terms, the new law regulates prescription labels in the District of Columbia and in interstate trade. If the finished preparation is dispensed and delivered on the order of a "signed" prescription, a usual prescription label is sufficient, but if the prescription blank was *unsigned*, the label must conform with all the requirements made of all proprietaries in interstate and territorial commerce.

This probably means that these druggists will not be able to receive telephone prescriptions from doctors in the neighboring state and act as their secretaries by

writing down the prescription and signing the doctor's name. Any dispensing on such a prescription if delivered in the District of Columbia or over a border before the doctor has signed the copy made by the druggist is not on a "signed" prescription as required by Sec. 503 (b).

Telephoned prescriptions, unsigned, can be dispensed if the finished preparation is labeled in compliance with all the provisions of the new law (Sec. 502 (e))—which means that if it contains a mixture of several substances, the name of "each active ingredient" must appear on the label, and the label must state the "quality, kind or proportion of any alcohol" and list by "name and quantity" the presence of any "bromides, ether, chloroform, acetanilid—," etc. (18 drugs or classes are included in the law). The traditional type of prescription label for such interstate delivered prescriptions filled on a telephone order will no longer be legal.

Further, it appears that while an ordinary narcotic prescription is treated like any other prescription, the law makes special requirements of all prescriptions containing certain hypnotics, and the narcotics in exempt amounts.

By simplifying the meaning of the last provision in Sec. 503 (b) (2)—it is seen that any District of Columbia or interstate-commerce prescription which has not on it a notation by the doctor that it must not be refilled, and which prescription containing any barbituric acid, bromal, carbonal, chloral, paraldehyde, sulphon-methane or a narcotic in an exempt amount, cannot be dispensed "unless a label bears the name, quantity and percentage of such substance—and in juxtaposition therewith the statement 'Warning—may be habit forming.' "

If the prescription for any of the above substances does contain a "Don't refill" notation of the doctor, it needs only the regular prescription label.

While all these regulations may be of but passing interest to pharmacists who do not engage in over-state-line deliveries, they had nevertheless better take notice, for it is to be expected that bills for new state Food, Drug and Cosmetic Laws of a form similar to the Federal Act will be introduced into many state legislatures this coming year. When this occurs it will be the duty of all organized pharmaceutical bodies to see that no needlessly troublesome regulations concerning prescriptions are introduced into state statutes.

While on the subject, let us consider a few business changes the new law will create. Because the new State Food, Drug and Cosmetic Laws are bound to come, the alert druggist will begin modifying certain business policies immediately so that he shall not be caught with unsalable merchandise on his shelves. The first of these precautions is in buying. Since all proprietaries, both intrastate and interstate manufactured, will eventually be subject to the new misbranding and adulteration provisions, large orders of uncertain merchandise which cannot be sold within a year should not be purchased—or if purchased, should be obtained with a guarantee of compliance with the new federal law. Don't overstock on the "Sale—is final" bargains that are bound to appear soon in secret-formula merchandise that may die next June. And second, the druggist manufacturing own-label goods should restrict the purchase of labels and raw materials to immediate needs.

Again let me say that this new Federal law and the state laws that will follow are bound to have salutary effects. The laws will drive out of existence many disreputable concerns or so clearly mark their products as unsafe or worthless as to have the same effect. Manufacturers who do their work well are bound to be re-

warded with extra business. Anything like this law that advances public health should be, and is, thoroughly indorsed by Pharmacy.

If we are to strike a balance between these assets and liabilities, I am sure we all can agree that there remains a net worth or capital amount. Pharmacy, to those who practice it well, still has a great value. From it they earn not only a financial return, but also a psychic income—that love of work and accomplishment that makes the heart beat faster. In what other retail branch can the owner-worker find a thrill equal to that enjoyed by the druggist when he masters a prescription incompatibility, catches an error in a prescription before harm is done or receives the blessings of those whom he has served or aided in an hour of need?

DR. LEWIS MOTTET'S PROJECTED INSTITUTE OF PHARMACY
(1769).*

BY J. HAMPTON HOCH.¹

Dr. Lewis Mottet was a talented physician, a native of France, who settled in the province of South Carolina before the middle of the 18th century. He attended the plantations in St. John's Berkley and St. James' Goose Creek and had what at that time was probably the most genteel range of practice in the province. Dr. Mottet was said to have been a bon vivant with a true Gallic appreciation of good food and in his professional visits contrived to administer to his own appetite while prescribing for his patients' relief. Several anecdotes illustrative of the man's independence and striking personality are related by Dr. Joseph Johnson (1).

As to his professional antecedents we unfortunately know nothing but infer that they were not inferior to most and were superior to those of some of his contemporaries. An interesting and unusual announcement was placed in the press by Dr. Mottet in February 1762. To quote (2):

"The subscriber being requested by several persons to prepare for them Belloste's celebrated pills, so well known by the inhabitants of this province, to be the most effectual medicine in the cure of all intermittent fevers, as well as for constant, synochal, putrid, bilious and all other fevers, hereby informs them of his willingness to oblige them, but, as the preparation is very troublesome and dangerous, he cannot, without loss, prepare the said medicines in a small quantity, as the trouble is nearly equal for a small or large mass. He will therefore be glad that all persons, desirous of having those pills would subscribe for one or more boxes. A box will contain fifteen dozes for eight pounds currency, with each box he will give plain and exact directions: also information of their efficacy in several other deceases, particularly in all cholicks, fluxes and scorbutick cases.

"Subscriptions will be taken in at the following places, from this day to the first of May ensuing, after which time none will be received as he must then go about preparing the medicines. At Charles-Town, by Mr. James Poyas, merchant on the bay; At Goose-Creek, at the subscriber's house; At Monck's-Corner, by Mr. Thomas White, merchant; At Ponpon, by Mr. Gideon Dupont; At Stono, by Mrs. Wilkinson. Where the boxes will be delivered on the 3d day of August next, and where the back settlers may subscribe on paying the money.

LEWIS MOTTET."

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