

the retail nostrum business of the apothecary developed into the great patent and "proprietary" medicine business of to-day.

Surgery finally became a profession by separating itself from the barbers and becoming a part of the medical profession. Is not this a lesson for us to learn? The only way for pharmacy to ever become a profession, is to separate itself from the nostrum business and become affiliated with the medical profession as a branch of medical science and practice.

It has been proposed that the American Pharmaceutical Association be reorganized as a delegate body, controlled by a house of delegates. The precedent of the American Medical Association is pointed out as an illustration in favor of this. It is pointed out that for many years the A. M. A. was a small body with very little influence. After its reorganization it became very powerful, having a decided influence upon medical legislation.

The reorganization of the A. Ph. A. as a delegate body, controlled by delegates from state pharmaceutical associations, all the affiliated bodies working together under a code of ethics containing rules for the guidance of pharmacists in their relations to each other, to the medical profession, and to the public, might indeed accomplish great things for legitimate pharmacy. But a house of delegates, made up of delegates from druggists' associations, representing the commercial drug business and the manufacturers of nostrums medicines, would degrade pharmaceutical practice still further. Believing as we do, that this matter is of great importance and should be thoroughly discussed before any serious attempt is made to reorganize the A. Ph. A., I would suggest the advisability of appointing a committee to take the entire subject of reorganization under consideration at this time.

ESSENTIALS OF ACCOUNTANCY FOR PHARMACISTS.*

BY CHARLES B. COUCHMAN.

Of the many things with which a man may be concerned, one of the greatest importance is "making a living."

To accomplish this feat a man has but two implements, two producing factors—property and effort. In the latter term is included the physical or the mental labor—the special skill or knowledge which a man may have and exert.

Since the making of a living seems at the best more or less precarious, a man should exert as efficiently as possible every quality he may possess which will aid in the desired result. He endeavors to make his effort as productive as possible. If he chooses Pharmacy as his profession, that is, as the channel through which his efforts will pass to reach the desired result, then by long study and practice he endeavors to make his skill and knowledge such that his efforts will be as remunerative as possible.

If, in addition to his effort, he possesses some property to aid him in the struggle, or, if from the returns from his efforts he thriftily accumulates a surplus so that his efforts may be supplemented by at least some wealth, it evidently becomes his next concern to see that this property also becomes as productive as possible.

* Read before Section on Commercial Interests, A. Ph. A., New York meeting, 1919.

A person, therefore, has two immediate desires from the commercial standpoint—that each unit of effort and each unit of wealth may produce the greatest amount of profit; in other words, may aid as much as possible in the process of making a living.

These principles are general and apply as much to the pharmacist as to the manufacturer or the grocer or the attorney.

While in any profession the commercial must ever be secondary, and the rendering of a service to others must be the primary consideration, yet even in professions it is recognized that it is not unethical to give some consideration to the commercial; that, in fact, a consideration and application of proper commercial principles enlarge the usefulness and efficiency of the professional service instead of conflicting with it.

In few professions is this more true than in pharmacy, where custom is decreeing that for one to practice pharmacy at all he must be supported by a very definite commercial organization with a larger proportion of capital than in most other professions. If the pharmacist renders the full service that is expected of him in a community, it is necessary for him not only to know the science of pharmaceutical practice but to combine with this knowledge an amount of capital sufficient to provide proper materials, proper equipment, and the facilities demanded by this exacting age.

The doctor, the lawyer, and the accountant may carry on their professions almost entirely through personal service, but the pharmacist is expected to supplement personal service by an inventory of supplies and salable commodities equalling that of most retail merchants, together with all the equipment and staff which such service necessitates. Further, the scope of these supplementary activities is constantly enlarging until in many communities the pharmacist is expected to function not only as practitioner, but also as postmaster, perfumer, dispenser of refreshments and dealer in many articles of general merchandise.

To avoid the financial pitfalls of all these activities requires a considerable foundation of common sense and a thorough knowledge of the elements with which one must deal.

As a result, the pharmacist's success, which means the continuance of his opportunity to render helpful service to others, depends to a considerable extent upon his ability to handle a commercial organization. This and his professional skill are the factors wherefrom he must make his living; and the two are quite inextricably woven together. The man who does not handle his capital efficiently and who finds himself unable to carry the proper stock is not best fitted to serve professionally. The man deeply worried by financial troubles and the meeting of the high cost of living is not in the best spirit to fill a prescription. The man who through lack of proper information regarding his business has allowed it to become badly scrambled, or the man who broods on the insufficiency of the financial rewards of his labors and investment without knowing what to do about it, is not the man best fitted to serve the community in the way expected of a pharmacist. The man who finds himself facing more or less serious disaster because of the violation of some rule or principle of law or economics or finance, the very existence of which he did not realize, is not in the frame of mind to appreciate fully professional opportunities.

It is, therefore, for the professional good and the mental morale, as well as for the financial success of the individual, that pharmacists should know the fundamental principles governing the successful maintenance and operation of the very things with which they are daily concerned in carrying on their work.

They should be able to realize just what information concerning the financial condition and progress of their business can be of use to them, just how these facts can be accurately determined, and just how they may be utilized for the furtherance of their welfare. They should know the principles of the laws with which they are constantly in contact or which they will probably face in ordinary business life. They should understand the fixed principles of economic life which are the basis of commercial existence.

It is the province of accountancy to deal definitely with these things, both as to theory and also as to the procedures whereby they may best be put into practice. Accountancy is far more than bookkeeping. Bookkeeping is a part of the actual procedure whereby certain facts are recorded, analyzed, and summarized. But the most essential part of accountancy is the determining of the particular information to be obtained by these analyses and summaries, and the proper utilizing of this information for the good of the business.

It is evident, then, that familiarity with bookkeeping methods alone is of little advantage to a business man. The mechanical grinding out of facts that are not used is of little value. Knowledge of how to use the facts is of great value. If a man masters principles, procedures will work themselves out.

Therefore, the essentials of accountancy which are of chief interest to the pharmacist are those that will enable him properly to safeguard such property as he may have, to secure effective control over it and over the activities of those who work under him, to discover which phases of his business are most profitable and which least profitable, to ascertain the most effective distribution of his working capital as to stock of merchandise and to less productive equipment, the best methods for increasing his working capital or increasing its effectiveness—in short, those principles which will enable him with a given amount of capital to produce the maximum of effective result in the way of service and profit.

This must include an adequate system for recording cash, for handling C. O. D.'s, for depositing receipts in bank, for making all payments so far as practicable by checks. The system for handling personal accounts, both receivables and payables, must supply him readily with whatever information he may need with regard to them, must provide proper follow-up and collection methods with regard to receivables, and must prevent overpayment or duplicate payment of invoices or failure to take full advantage of discount opportunities. This necessitates at least the equivalent of ledgers for each class.

The pharmacist's system must provide complete records of all his assets and his liabilities, with all changes therein recorded through one or more books of original entry. It must furnish adequate records of the sources of his profits and the classification of the costs of producing these profits to enable him to supply accurate figures for income tax purposes and also for comparative purposes to test the efficiency of his operations. Nothing short of double entry can supply these with certainty, nor provide sufficient check against errors either intentional or unintentional, errors of omission and errors of commission.

His system should enable him to determine whether certain supplies should be purchased in dozen lots or gross lots or great gross lots and should give him ample check upon merchandise ordered but unfilled, upon merchandise in stock, its location, its cost price and its selling price, and the amount to reorder.

In short, the pharmacist's financial system should be builded so snugly about his business that no financial fact of importance can slip through and escape detection, and yet it must be such that it can be operated without taking too much time from productive business. The goal is to obtain the maximum of control over the business end of usable information regarding it with a minimum of effort, but with certainty.

A more detailed discussion of these principles is not feasible in a brief paper of this kind, but I desire to emphasize three facts:

First, any course in Commercial Pharmacy, to be of value to the pharmacist, must be far more than a course in bookkeeping. It must be a training in the real elements of commerce.

Second, such a course is also of greatest value to the under-clerk in pharmacy, for the greater his understanding of these principles, the greater will be his usefulness to his employer, and the greater his opportunity for advancement.

Third, in this day of constantly increasing financial demands, when the cry of everyone to his fellows is for "more! more!" it becomes the duty of every man not only to himself but to his community to master the laws of efficiency and thrift, so that with the wealth and effort at his disposal he may render the most effective service with the minimum of waste and irksome labor.

1820—A BIT OF HISTORY.*

There is no periodicity in the great events which mark the march of human progress. Only happenings correlated to the seasons keep step with the calendar. And when history repeats itself—which it never does except with variations—even numbers of years, or odd numbers, or decimal multiples, have no special significance—of course not.

But it is true that the year 1820 was in many respects like the present—1920. The chronicles of that early period seem strangely modern. We find reference to high prices, labor disturbances, to unstable equilibrium in business affairs, political unrest, and evidence, in Europe particularly, of that abnormal attitude of mind which in our time has led to overt acts on a large scale, and has received a Russian name. The fact is, after a hundred years Europe and America, both, again are passing through a period of convalescence following the exhausting distemper, war. In 1820, as at present, Europe was battle-scarred—then as a result of the campaigns of Napoleon. America was battle-scarred, too, for the burning of Washington and the victory of New Orleans were still discussed as recent happenings. Men had gone to war: some had not returned. Many industries had been ruined. America in 1920 can realize the conditions which obtained a hundred years ago. In 1914, America could not have done so.

But despite conditions seemingly so unfavorable, the period of 1820 marks a glorious renaissance in science and art. In literature, during the war period,

* Extracts from an address by J. W. Sturmer, before the Philadelphia Branch, at the January meeting.