Interactions between the British and American Patent Medicine Industries 1708-1914*

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PATENT MEDICINES AND THE QUEST FOR HEALTH

Patent or proprietary medicines are here considered as a single utility-giving--although highly differentiated--product. The consumer was prepared to pay relatively large sums for the popular ones, either to cure a real or imaginary ailment or to confer a sense of well-being that his/her internal mechanism or outside circumstances were unable to impart. Our forbears' keen demand (and even the considerable over-the-counter demand nowadays) for patent medicines might seem irrational to those of us accustomed to visit a registered doctor for individual diagnosis of any worrying physical symptoms. Yet the vast majority of both British and American people never, or hardly ever, sought curative treatment. Cost was the main factor, even though apothecaries or dispensaries provided such treatment very widely and inexpensively.

There were cultural reasons as well for the avoidance of professional advice. British men and women, at least, had a deeply-rooted mistrust of doctors, partly due to the rudimentary state of medical knowledge and scant training given in pharmacology. Many shrank from submitting themselves to

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diagnosis, which would probably involve bodily examination and besides might condemn them to long periods off sick or even to the knife or a sentence of death. Only bourgeois Victorians, like the hero of Jerome K. Jerome's *Three Men in a Boat* (1889) were so unnerved by a lurid patent liver pill circular as to discover symptoms--everything apart from housemaid's knee--that required a visit to the doctor to reassure them.

Hence the economist, who is mercifully not called on to pass moral judgment on these activities, can look on patent medicine manufacturers of the past as having performed the "gap-filling" role of entrepreneurs in striving to gratify this urge by the ailing to recover without resort to doctors. As one informed British journal put it in 1886, [3, Vol. 28, 26 June 1886, p. 630],

> The majority of people get to feel very bad before they go to the processes of being prescribed for and dispensed for in the orthodox fashion [of diagnosis by a doctor]. But something definite, tested by experience, something they can purchase at a fixed price and by just naming the article, without being catechized as to all their physical miseries, will always be popular.

Sixty years later, when a National Health Service was being actively planned in Britain, the Economist [7, CXLVIII 6 Jan. 1945 p. 5] gave its view even more forthrightly:

> The truth is that people do not want to be positively healthy. The suggestion exercised by the patent medicine advertisers falls on receptive ground. People take patent medicines not because they are fatigued, anemic, nervous, overworked and suffering from sleeplessness and headaches, but because they like to think they are. Even when they do not positively enjoy poor health, there is still a superstitious belief that good can be made better by regular doses of medicine.

These judgments can be paralleled in the United States. There an advertising expert wrote in 1896 [21, p. 184]

> The medical ad[vertisement] which gives symptoms and tells the progressive stages of a disease, saying plainly what it will lead to if it is not checked, is the one which will produce the most effect on the ordinary mind. I believe most ailing people get a morbid satisfaction from reading vivid descriptions of the symptoms of their sickness.

Such huge underlying demand became effective in both countries after 1850 when consumers' disposable incomes began to rise sufficiently above the subsistence level to permit discretionary purchases. Table 1 shows how patent medicines were among the most preferred budget items, as sales and output rose far more steeply than did incomes. For the US, in the same broad area of expenditure, output of drug, toilet and household preparations in index terms rose from 100 in 1869 to 782 in 1913 [20, p. 699]. Section 2 will show the extent to which patent medicine makers first of all developed their own

TABLE 1
Income Trends and Demand Growth for Patent Medicines: UK and USA 1850-1913

	U.K.			U.S.A.	
Year	Average Real wages	Value of Patent Medicines sold (1850=100)	Year	National income per head (1859=100)	Output of Patent Medicine Industry
1850	100	100	1850	79	--
1865	120	131	1859	100	100
1881	136	329	1890	169	512
			1904	215	2130
1913	169	777			

markets and then involved themselves in that of the other country. Subsequent sections illustrate the closer arrangements which later followed.

FROM DOMESTIC TO OVERSEAS MARKETS

Seventeenth and Eighteenth Centuries.

Britain had a very long history of home medication, at first by herbalists offering their herbal remedies. From the 1630s onwards a succession of noteworthy doctors, and at least one clergyman, produced brands of medicine, mostly of their own invention. All these worthies had influential clients and charged heavily for their preparations, but in a very restricted market. The most famous was Dr. Robert James (1705-76) whose fever powder merits a footnote in history for having materially accelerated Oliver Goldsmith's demise while doing little to ward off George III's insanity. Yet his annual turnover in 1768-9 was only £132, while in 1797 his heirs sold only £214 worth of powders and £156 worth of analeptic or restorative pills.

James was only one of many scores in the trade. In 1749 a list of "nostrums and empirics," mostly produced in London, contained 202 names, while in 1812 no fewer than 552 preparations were listed in an Act of Parliament about excise duties. [8, XVIII Aug. 1748 pp. 346-50; 17, 52 George III 1812 pp. 844-50.] The prices quoted in the 1748 list confirm the relative costliness of these remedies. Only a handful, mainly from the provinces, cost as little as 6d. (2.5p) a box or bottle, while unfortunates afflicted with cancer, diabetes, impotency or the pox could reckon on having to pay out 10/- (50p)

every time they sought relief: not much less than the weekly wage of an unskilled man. However, by the mid-eighteenth century technical progress, in the form of the pill board, considerably speeded up the manual rolling of pills and helped to reduce costs. Prices did not follow suit, so that those makers with reasonably high turnovers must have been making good profits.

The expense by no means ruled out a vigorous, if restricted, export trade. In a period of particularly close commercial ties between Britain and the American colonies, some of the latter were thriving markets. The first known advertisement of an exported medicine, Thomas Daffy's "Elixir Salutis," in Boston, Mass., dates from 1708, but sales remained minuscule for half a century thereafter. [21, p. 7].

Once demand began to build up, enterprising colonists sought to overcome the problem of high costs by counterfeiting popular medicines, and generated a brisk trade in used bottles which they brazenly filled with their own concoctions and sold under the original brand name. The war of independence, from 1776 to 1783, curbed bona fide imports from Britain but not the appetite for British-type medicines. Not until 1796 did the first all-American pill appear, marketed by Samuel Lee Jr. of Connecticut, with unprecedentedly sophisticated publicity techniques. Within a decade no fewer than four people named Lee were, in true Yankee fashion, battling it out for this particular market.

Nineteenth Century: America.

The new century saw the devising of entirely novel technology, patent medicines made in large factories by machine power. In America the pioneers were Thomas Dyott of Philadelphia (1771-1861) and Benjamin Brandreth (1807-80)--both, as it happened, British-born. Dyott made his initial capital out of a different commodity altogether, shoe blacking, gave his product (Dr. Robertson's Infallible Worm Defying Lozenges) an arresting name and entirely fictitious origin, and diversified into a startling variety of non-medicinal goods. In 1833 he began the complementary activity of bottle manufacture. Then, like not a few of his American successors, he overextended himself. After staging a spectacular bankruptcy, he was jailed for fraud, but after his release he bounced back and acquired a handsome second fortune from patent medicines.

By comparison Brandreth was the soul of rectitude, marketing a Universal Vegetable Pill and more or less confining himself to this line. He mixed the ingredients by power from a 140-h.p. steam engine, and also used water power. That pill, a rather strong purge, was sorely needed at a time when America's urban population tended to overeat rich and stodgy food at break-

neck speed: in the phrase of the day, to "gobble, gulp and go." Thus dyspepsia, it has been said, was in the forefront of American ailments.

Like Dyott, Brandreth expended large sums on vigorously worded advertising--the equivalent of £20,000 a year between about 1850 and 1880--and was tireless in following the American frontier as it moved west; digestive systems rebelled as vehemently against heavy victuals, bolted at irregular intervals, in the wide open spaces as in the congested cities. Dyott set up sales agencies in remote settlements, while Brandreth gave well-disposed newspapers in pioneer communities their share of his advertising. Brandreth died worth $2m in 1880.

Not unexpectedly, these efforts to expand the domestic market from coast to coast tended to deter exporting. The effective disappearance of the "frontier of settlement," which set off growth in exports of American products and capital, occurred in about 1880, according to the Superintendent of the Census' annual report of 1890 [13, p. 99; 4, p. 35]. Although Brandreth's pills were advertised in Britain from time to time from the late 1830s onwards, it was not he nor Dyott who directed all-American nostrums in a big way towards the mother country. In 1867 the three with the largest trade in Britain were Perry Davis's Pain Killer, Brown's Troches, or lozenges, and Mrs. Winslow's Soothing Syrup, popular because well laced with morphia to stupefy fractious infants. All three maintained a good sale throughout the century.

Nineteenth-Century Britain: Creation of Mass Domestic Market.

The major British patent medicine makers at that time differed from their American counterparts in various ways. They tended to restrict their businesses to medicines alone, which they had usually concocted themselves, and made up no unlikely tales about their products' origins, confining their flights of imagination to the cures they claimed. They closely fostered distributors' goodwill, allowing reasonable discounts to retailers. Since selling prices, including medicine duty, were conventionally fixed, non-price competition (advertising, terms offered to distributors etc.) prevailed. British firms which caught the public imagination tended to be very long-lived.

The pioneer here was James Morison (1770-1840), a merchant who invented his Vegetable Universal Pills in 1825 and between 1830 and 1840 claimed to have a turnover of E52,000 a year. A number of his books and pamphlets both augmented his income and puffed his pills. The scale of his activities was easily surpassed by Thomas Holloway (1800-83), another merchant, who from 1837 onwards made and marketed the ointment and pills formerly brought to England by an Italian whom he swindled out of his invention.

Holloway was the first entrepreneur in Britain fully to grasp the potentialities of advertising. From an early date he spent on publicity all the money he dared to commit; that steadily rose from £5000 in 1842 to £50,000 in 1883, when his annual profits were also about £50,000. His turnover would then have been about £230,000 a year, compared with Brandreth's turnover equivalent to £120,000. For many years Holloway was the largest advertiser in Britain and the most widely known household name. After his death in 1883 his heirs quarreled and largely dissipated his goodwill; in the 1930s the firm was taken over by Beechams.

It was Thomas Beecham (1820-1907) who built up what became by the 1890s the most considerable patent medicine business in Britain. It was one of the very few really successful firms of its kind outside London, being based at St. Helens in Lancashire. Whereas his predecessors had tended to cultivate the market of London and its environs, and middle-class consumers, Beecham sought to create a truly national market and appealed to ordinary people, who Table 1 showed were increasingly possessing discretionary income. He therefore directed his publicity at the lower-income market, choosing the more popular press in which to advertise.

Not until 1884 did he begin very extensive advertising; that year his outlay was £22,000, or less than half of Holloway's but by 1891 it was up to £120,000. Consequently his turnover rose by a dramatic 24 percent a year in the 1880s, reaching £270,000 in 1890. By 1913 turnover had risen to £290,000, net profits being then £111,000.

BRITISH PATENT MEDICINE PRESENCE IN AMERICA.

Almost from the outset, Britain's patent medicine makers were export-oriented to an extent that most American ones were not, at least before the 1880s. Two who pushed exports hard were Holloway and the fruit salt manufacturer James Crossley Eno (1850-1915) of Newcastle. Both men in the early years regularly visited the nearby docks to publicize their wares and give away free samples among ships' crews and passengers. Morison also promoted exports, at first very profitably to the west European countries he had known as a merchant. As early as 1830 he had broken into the American market by sending over his partner named Moat. Unfortunately the agent appointed there was soon double-crossing Moat by making his own spurious pills and claiming that Morison's ones were fakes. In 1834 Morison successfully prosecuted two counterfeiters of his pills in the New York superior court. He also appointed sub-agents in virtually all the states then incorporated in the Union, but had to warn customers not to buy except from designated agents. No doubt most of the market was lost after Morison died in 1840 [12, iv].

Until 1853 Holloway was busy with opening up markets elsewhere in the world, and probably left the American market to wholesale druggists. That year he travelled to the United States and set up a manufactory and agency in Maiden Lane, New York. The office manager was a Mr. Brown, a close acquaintance who was entrusted with the secret formula. The civil war of 1861-5, as always in times of crisis, boosted sales of medicines markedly; an advertisement of 1863 touchingly portrays a Federal officer handing a jar of Holloway's ointment to a sergeant who was tending a wounded private. [21, plate 9]. Then the counterfeiters strove to cut up his trade. By 1869 Holloway was ignominiously forced to change his label designs to differentiate the genuine medicines from the inferior ones being extensively marketed in his own name.

Even so, the counterfeiters' grip became so strong that Holloway resolved to run down the US operations, which by then yielded him much trouble and expense but no profit, and he refused to remit further funds for advertising. On top of that, he was involved in a series of lawsuits; his brother-in-law Henry Driver spent five years in New York ineffectually attempting to bring to book a former factory manager there who had used previous business connections to build up a lucrative trade in bogus versions of the Holloway products. Although US legislation on trademarks was passed in 1875, bureaucratic delays prevented Holloway from registering his until 1879; by then three New York firms were pirating his medicines, down to forged British revenue stamps--complete with watermarks--specious newspaper advertisements and precisely copied sheets of directions. Worse still, the same counterfeiters' exports were also damaging the South American market which he had built up so painstakingly. Shortly before his death in 1883 he acknowledged defeat by withdrawing from the US altogether. His unadventurous heirs did nothing to try to win back that market [18, 2620/9/1-4].

Not until 1877 did Britain and the US sign an intergovernmental covenant pledging mutual protection of inventions, designs and trademarks. Thomas Beecham was determined not to go down the same path as Holloway. Before 1885 he had relied on wholesale agents pushing exports, apparently without advertising help from Britain. Perhaps in anticipation of the international agreement, in 1885 he and his son Joseph--helped by an Anglo-American manager Charles Rowed--sent out their own agents and launched a massive advertising campaign in the US. Beecham father and son thereafter regularly visited the country. In 1887 Joseph Beecham personally registered the firm's trademark; he subsequently attended a number of spectacular prosecutions in New York for infringement of the trademark. Despite his plentiful publicity expenditure, he later admitted that he had to "struggle and work to gain a foothold in that great country."

In 1888 Beecham granted to B. F. Allen & Co. of New York the sole agency for the US: they already acted for Stone's lime juice and Pears' soap, among other British products. Then in 1890 Allen started manufacturing on Beecham's behalf. Although this overseas direct investment was reportedly to overcome the tariff barrier, and also to meet the exclusively American demand for sugar-coated pills, the regular trips by Joseph Beecham suggest an element of entrepreneurial utility. He may during his visit have been able to mix enough of the ingredients to avoid having to give away the secret recipe. At any rate, he was able to combine a close personal supervision of his subsidiary with the other enjoyments of foreign travel.

The Beecham subsidiary turned out to be a highly profitable venture: after the 1906 US Pure Food and Drugs Act forbade misleading claims by drug manufacturers, its sales there more than doubled by 1913. In 1911 he therefore greatly enlarged the New York factory and installed the latest pill-making machinery, which was technically far more advanced than that in the labor-intensive factory at St. Helens. [5, pp. 10-16]. However, none of his British rivals were before 1914 tempted to follow his hazardous path with production overseas.

AMERICAN PATENT MEDICINE PRESENCE IN BRITAIN

Although, as shown above, a limited number of American patent medicines were being sold in the British market as early as the 1830s, it was in 1867 that the trade there in these medicines received a boost when one of the most significant advertising figures of Victorian Britain, John Morgan Richards (1841-1918), emigrated to London from the US. His task was to run a branch of the New York wholesale medicine business, Demas Barnes & Co., the largest of its kind in the world, and to stir up publicity in Britain for its wares, notably Mrs. Winslow's syrup. In about 1875 he took over the medicine interests on his own account and combined them with other products. As the agent of a tobacco firm, he had the highly equivocal distinction of being the first, in 1877, to popularize cigarettes in Britain. [3, XXVII15 May 1885 pp. 256-9; 16].

During the next two decades American patent medicine firms--in 1896 said to be worth the equivalent of £80m between them--began to involve themselves massively in the British market. In 1885 Richards estimated that the two countries were fairly evenly matched in the number of different patent medicines they produced: some 4-5000 each. Of the American ones, he reckoned that a little over 25 (unfortunately not listed) were sold in any quantity in Britain. Some of the most memorable are set out in Table 2.

This table shows that eight US patent medicines and one Australian remedy (with US connections) were of particular note in Britain. Of the eight, all but two were at some time or another made in Britain, companies being set up there for the purpose. The two products which were most consistently popular between the 1890s and 1914 were on the other hand exported, not being manufactured there until the 1920s. These were Carter's Little Liver Pills and Dr. Williams' Pink Pills. Before 1914 imports into Britain were not subject to tariff, and therefore we have to look to alternative explanations of the US firms starting up production in Britain. The nine firms will be examined in the order in which their products were first brought to Britain.

Mother Seigel's Syrup.

This was a dyspepsia remedy, Mother Seigel of the Shaker sect being almost certainly fictitious, at least in any connection she might have had with the product. It was unforgettably described as "a dark-brown, emulsion-like, turbid, watery extract, of fresh smell, bitter taste and acid reaction." A typewriter manufacturer, the Yale-educated Alfred J. White, acquired the formula and began making the syrup in 1867, exporting it to Britain from 1877 onwards. In 1884 he established a £100,000 company, A. J. White Ltd., in London, setting up production there and transferring the New York headquarters, which thereupon became a subsidiary. Ownership remained in US hands, White holding 56 percent of the shares and most of the directors being American. Later he started up another business, which crashed and left him considerably in debt. In 1897 he therefore sold A. J. White Ltd. for £960,000, of which £625,000 was in cash. A new company of the same name, with £1 million capital, was registered in London: an astonishing £929,000 was goodwill. Net profit, after heavy advertising outlay, was said to run at £90,000 a year.

By then "centers" (all apparently production branches) had been established in Madrid, Lille, Barcelona, Sydney and Cape Town. White, having sunk £428,000 of his proceeds in another American business alleged to be of similar character, became embroiled in some vexatious litigation and died in 1898. Despite a continuing advertising expenditure in Britain of £150,000 a year, profits plunged after 1897, perhaps in the absence of White's entrepreneurial skills, and a representative of the American shareholders came over to see what could be done. Irregularities were claimed, and eventually the heavily watered capital had to be written down to £300,000. By 1907 the shareholding and direction were in British hands, and that year the board established a subsidiary, untainted by the White name, Menley & Jones Ltd. which began to diversify into the reputable medicine Iodex. Having failed to take advantage profitably of the post-1918 craze for vitamins, in 1927 A. J. White Ltd. concluded an agency agreement with the prestigious Smith Kline

TABLE 2
US PATENT MEDICINE MANUFACTURES WITH INVOLVEMENT IN BRITAIN 1877-1914

NAME DATE WHEN PRODUCT FIRST SOLD IN US	INVOLVEMENT WITH UK (EXPORT/PRODUCTION)	US PARENT	UK COMPANIES	PROFITS (ANNUAL £000s)
A. J. White (1824-98) 1867 Mother Seigel's Syrup	Export 1877 Production 1884 By 1905 under British control	A. J. White Co. N.Y. 1880	A. J. White Ltd. 1884- 97 £100,000 A. J. White Ltd. 1897 £1,000,000 Smith Kline & French Philadelphia Assn. 1927, acquired 1956	1877/8 89 1901/2 63 1903/4 32 1904/5 13
H. H. Warner (d. 1923) 1879 Warner's Safe Cure	Export 1885 Production 1885 c. 1899 US branch leased to US citizens By c.1900 under British control	H. H. Warner Co., Rochester, NY	H. H. Warner Ltd. 1889 £550,000 + £150,000 debentures In liquidation 1946	1889/90 105 1894/5 21 1907/8 3
W. H. Hartley Sequah Prarie Flower ?	Export pre-1888 Production 1888	Sequah Indian Medicine Co.	Sequah Ltd. 1889-90 £50,000 Sequah Ltd. 1890-5 £300,000 Sequah Medicine Co. Ltd. 1895-1909 £7,000 Taken over by J. M. Richards 1906	1889/90 45 1893/4 2 1894/5 Loss

NAME DATE WHEN PRODUCT FIRST SOLD IN US	INVOLVEMENT WITH UK (EXPORT/PRODUCTION)	US PARENT	UK COMPANIES	PROFITS (ANNUAL £000s)
Chas. A. Vogeler St. Jacobs Oil 1851	Export ? Production 1885	Charles A. Vogeler Co. Baltimore	Charles A. Vogeler Co. Ltd. 1901-3 £75,000 St. Jacobs Oil Ltd. 1901-13 £100,000	1901/2 Loss -10
H. D. Brandreth Homocea ?	Export c. 1890 Production 1901		Homocea Co. Ltd. 1895-7 £25,000 Homocea Ltd. 1897-1929 £250,000	1902/3 2
Asa T. Soule Hop Bitters 1872	Export 1880 Production 1888	Hop Bitters Co. Rochester, NY	Hop Bitters Co. Ltd. 1888-92 £95,000 Sold off for £3,000 1892	1887/8 Loss -9.6
Brent Good (1837-1915) Carter's Little Liver Pills 1856	Export 1886 (No UK production before 1914)	Carter Medicine Co. 1880 NY		
George T. Fulford (1852-1905) Dr. Williams' Pink Pills 1890	Export 1893 (No UK production pre 1914)	Dr. Williams Medicine Co. 1895 Schenectady, NY		
Charles E. Fulford Bile Beans (-)	Export Made by Parke Davis & Co. Detroit		Bile Beans Manufacturing Co. 1899 (Leeds)	

& French Laboratories of Philadelphia, which in 1956 finally bought the company out.

Hop Bitters. [10; 21 Chap. 9]

The "bitters" remedies which from the 1850s onwards gave such solace to invalids and hypochondriacs alike, owed their immense popularity to their high alcohol content. This was the free market's response to the powerful temperance movement which had begun in Maine during 1851 and by the end of the decade had brought more or less stringent prohibition laws to all Northern and most Southern states. In 1874 annual sales of the three best-selling bitters were the equivalent of £360,000. A lesser known one was Asa T. Soule's Hop Bitters, made at Rochester, N.Y. Soule also made a Hop Cure for colds, a Hop Pad for stomach upsets, and "an absolute and irresistible cure" for liquor, narcotic and tobacco addiction. The most important bitter firms seem to have found the US domestic market buoyant enough not to require exports, but Soule took his Hop Bitters to Britain in 1880 and set up a £95,000 company there in 1888. The British had no comparable laws against drinking, and the venture was a flop; in 1892 the assets in Britain had to be auctioned off for a mere £3000.

Warner's Safe Cure. [15, Chap. XLIX]

By the later 1870s America was discovering new sources of bodily misery, the liver and kidney, which could not be assuaged by either murky dyspepsia syrups or regular draughts of alcohol disguised as bitters. Another Rochester man, Hulbert H. Warner, had like White started as a manufacturer of metal goods, in his case fire- and burglar-proof safes. In 1879 he acquired from a herb doctor the formula of a kidney and liver medicine and named it Warner's Safe Cure, with an iron safe as a punning trademark. He spent the equivalent of £65,000 a year on newspaper advertisements and started manufacturing in Britain during 1885. Four years later, when syndicates of British direct investors were acquiring American breweries, flour mills and iron works among other enterprises, Warner attracted the attention of one syndicate, said to be anxious to pay £1 million for the right to make and sell his cure, then yielding nearly £120,000 profit a year.

In 1889 he sold out for £700,000 assisted by a company-promoting firm, the London and Colonial Finance Corporation Ltd. The capital of the newly-registered H. H. Warner Ltd. was £550,000, plus £150,000 worth of debentures. Although Warner himself was allotted a third of the ordinary shares and briefly served as managing director, the rest of the board--including such prestige names as an earl and two MPs--were British. About 40 percent in all of the ordinary shares were held by Americans. Although an equally eminent United States committee of management sat in Rochester, it had no executive

powers, as the works there, like those in Australia and elsewhere, were described as branches.

The American public at least regarded Warners as a British company, for the cure's trade in the United States began to tail off. That was attributed to "the general mistrust which United States people have of English enterprises," reckoned to have conservative attitudes and a reluctance to "push things on quickly enough." American sales soon perked up again, but Warner was clearly impatient to move on to other ventures: the occupational weakness of patent medicine makers there. One of his new ventures was said to be "a dead failure from the start," and some mining share speculations went badly wrong.

In 1899, therefore, he forfeited his vendor's shares to settle his debts to the company, which at once canceled them and wrote down the share capital to under £200,000. The firm paid no ordinary dividends after 1891/2 and built up large arrears on preference dividends. Instead of seeking to diversify, it leased the American and continental branches to others. Making successive capital reductions between the wars, it just survived until it was wound up in 1946.

St. Jacobs Oil.

This liniment, first marketed in the United States by Charles A. Vogeler of Baltimore in 1851, was manufactured in Britain from 1885 onwards. In 1889 the American company failed, but the European manager, William E. Geddes--an Englishman based in London--refused to remit funds to bail it out, and John M. Richards was called in to run the European side until an accommodation could be reached with the Americans. In 1901 Geddes floated St. Jacobs Oil Ltd., with £100,000 capital. That company also made Vogeler's Curative Compound ("prepared in England by English people") allegedly from the private formula of a west-end London physician, and some old-established German remedies. The London headquarters shared world markets with the Baltimore, Paris, and Toronto branches. The products gradually sank into oblivion, and after resorting to debenture raising and capital reduction, the directors wound up the company in 1913. Thirteen years later its successor sold out to the US pharmaceutical giant American Home Products Corporation.

Sequah Prairie Flower.

In 1888 William H. Hartley brought this liniment, made from American mineral spring water and claimed to be good for rheumatism, to Britain. The following year he floated a £50,000 company, which in 1890 was wound up

and replaced by a £300,000 Sequah Ltd. of which £240,000 represented goodwill.

What the St. Jacobs Oil and Sequah promoters had in common was the urge to bring the most outrageous of American publicity devices to Britain, notably the medicine show. This was a travelling entertainment through US rural communities, whereby itinerant hucksters would warm up potential buyers with enticing music and other diversions before the hard sell began. Most of the victims knew what they were letting themselves in for; as it was put, "They like to pay a little for a tonic and an evening's entertainment rather than pay a lot to a doctor who gives you no fun at all." [21, p. 190] Vogeler, having (by his account) "conquered the new world" with his oil, in 1885 imported a couple of horse-drawn advertising "chariots," adorned with plate glass and all kinds of gilded decorations, which were to make a leisurely progress from the port of Liverpool throughout Britain. Sequah's vehicle, launched in 1890, was no less elaborately embellished and sported a powerful fairground steam organ which gave forth what was stated to be some "really excellent music." Both experiments came to an untimely end. The British authorities disobligingly declared illegal the selling of patent medicines from these juggernauts as the latter were held not be genuine chemists' shops, and the ban was maintained even when registered pharmacists were hired as salesmen. In any case, the public in Britain, while enjoying the entertainment, were cautious about buying the products: American ballyhoo did not exactly prove effective when transplanted to Britain. As early as 1895 J. M. Richards had to take over Sequah Ltd. when it went into liquidation, and established a far more modest £7000 company to meet the now very limited demand.

Homocea.

This American expatriate investment involved an ointment with the punning slogan "Homocea touches the spot" (i.e., fits the bill). The proprietor, Henry D. Brandreth of Liverpool, was undoubtedly a descendant of the American pill proprietor. A modest £25,000 company was within a few years superseded by a far more ambitious one, with £250,000 capital which was apparently all British held. By 1903, after a disastrous foray into soap manufacture, the capital was written down to £60,000; it lingered on until 1929.

These flawed efforts to manufacture American patent medicines in Britain were during 1899 the subject of some highly unflattering remarks in the *Chemist and Druggist* of London. The promoters concerned, it noted, seemed to be very clever at hitting the highest point of popularity in disposing of their concessions to the public, aided by extremely tempting prospectuses. Very few firms, it continued, maintained their phenomenal early successes, despite intensive advertising. The White, Warner, Hop Bitters and Sequah companies were singled out as culprits. [3, LIV. 24 June 1899, p. 998].

Bile Beans.

In 1896 a Canadian, Charles E. Fulford, joined with an Englishman in making Bile Beans for Biliousness, in Australia. Having established a market there, in 1899 he moved to England and spent about £60,000 a year in promoting this product. The US connection was that it was made by Parke Davis & Co. of Detroit until a manufacturing company was set up in Leeds several years later. Unwisely, in 1905 Fulford sued a Scotsman who had been imitating Bile Beans. The Scots judges, having read the promotional literature enclosed in the packets, cast disapproving eyes on the origins claimed for his own brand, of an aboriginal Australian cure supposedly discovered by an eminent scientist. The whole story, as so often with North American remedies, was totally imaginary, but intended to be enjoyed during the act of consumption much as, say, a tale on a cornflake packet or sauce bottle might be. Yet the judicial strictures on what was termed "a gigantic and too successful fraud," which denied them the protection of the law, severely damaged the reputation of the Bile Beans firm, without actually destroying it. [l, pp. 1181-1202].

Products Exported.

In contrast with the chequered fortunes of overseas production initiated in America, two patent medicines, which were consistently exported in the pre-1914 era, proved highly successful. In both cases John M. Richards was directly responsible as agent in Britain.

Carter's Little Liver Pills.

Genuinely the invention of a Pennsylvanian doctor, these pills were promoted by Brent Good (1837-1915), an entrepreneur who made "writing telegraphs" and carpets--and ran the New York Lyceum theater. He purchased the Carter trade name and formula in 1878 and set up the Carter Medicine Co. of New York. In 1886 he brought the pills over to Britain; by 1896 he was alleged to have made an astonishing 71 round trips across the Atlantic. The pills were manufactured in New York, shipped over in bulk and packaged in Richards' London premises: while Good oversaw production matters, Richards was responsible for marketing in Europe, which his agency was very well placed to undertake.

The Carter pill is of note because it was one of the very few in Britain which seriously dented the enormous consumer goodwill enjoyed there by the Holloway and Beecham types of pill. The notorious company promoter Ernest T. Hooley was well aware of this; in 1896, during a cheap money period, he unsuccessfully proposed to turn Carters into a £1 million limited company.

Dr. Williams' Pink Pills for Pale People.

A Canadian expatriate, George T. Fulford (uncle of the Bile Beans promoter) in 1890 began making these pills in the US. His was a clever gap-filling exercise, since if hypochondriacs had no need to seek relief from the consequences of high living or of gobbling their food, they could doubtless be drawn towards a preparation that enriched and purified thin blood. The pills were claimed to cure (among many other ailments) rheumatism, anemia, palpitations, the after-effects of influenza, and nervous disorders; American sales allegedly exceeded those of any other proprietary medicine there. In 1893 Richards began to market them in Britain, importing them in tins containing 70-90,000 and packaging them in the same way as the Carter pills. Although they held the market for a decade or more, after Fulford's premature death in 1905 they seem to have languished, despite all Richards' promotional methods.

Perhaps significantly, no American patent medicine of any consequence was started up in Britain after about 1905. In both countries, reputable periodicals published articles exposing the excesses of the industry: the US Pure Food and Drugs Law of 1906 at last imposed a measure of government control there. In Britain a change from the previously over-tolerant official attitude was foreshadowed by the setting up in 1911 of the parliamentary Select Committee on Patent Medicines, which reported in August 1914. [19]. Wartime and post-war preoccupations delayed for several decades legislation comparable with that in the US. However, by 1914 the heroic days of nostrum-mongering in both countries were effectively at an end.

CONCLUSIONS

Shortage of space does not permit a full analysis here of the events described above. As to the historical framework, British patent medicine makers looked overseas, especially to America, for export outlets to supplement their restricted home markets. Until the early nineteenth century their marketing efforts abroad were probably arms-length ones through commission agents, with a strong "pull" from the countries of destination; only when large-scale enterprises from Morison onwards grew up during that century, did entrepreneurs start a direct westward marketing "push" of some strength. By contrast their American counterparts, even those of substantial size, had a domestic market to satisfy with a ever-receding frontier. Although a few US remedies enjoyed some popularity in Britain from the 1830s onwards, the vigorous overseas sales efforts of some--but not all--of patent medicine manufacturers came only several decades later.

For both countries the era of mass markets occurred after the late 1860s, with the convergence of two important trends. First, ordinary people's incomes were rising far enough above subsistence for them to (be induced to) spend appreciable sums on health remedies. Second, improvements in transport, communications--such as the telegraph--and the dissemination of specialist knowledge through trade journals and personal contacts meant that by the early mid-1880s a truly international patent medicine industry could be said to exist, with a lively two-way traffic of goods and knowledge between Britain and the US. Although many pills were made by steam power, the technology was simple: patent, as opposed to ethical, medicines did not even use compressing machines to form tablets. Thus the advantages were very largely on the marketing side, huge sums being spent on advertising. However, publicity that was effective in one country was not always equally so in the other.

A cross-flow of exports was thus quite pronounced by the end of the nineteenth century; regrettably, this cannot be quantified for either Britain or the US. The intra-industry overseas investment seems to have been rarer. The modest production efforts by Holloway in New York from 1853 onwards were gravely inhibited by the counterfeiters. However, Beecham's organization--and legal protection--after 1890 was far more securely based; in 1920 (the earliest figures available) its subsidiary there sold the equivalent of a quarter of home sales and earned profits one-eighth as large as those at home. [5, p. 17]. The combination of thrusting entrepreneurship and the need to scale the high US tariff wall help to explain these investment initiatives.

The successive investments by US patent medicine firms in Britain appear to require different explanations. No tariff barrier existed, but the attraction of London was its thriving new issue market. The American manufacturers, usually men who had been or were involved in other areas of enterprise as well, saw in the London market the opportunity of making large capital profits, which they could then take out and reinvest in other ventures. The original US firms seem in every case to have become subsidiaries; were these British companies therefore "free standing" multinationals, in that the control alone was in London but the major operations were in the US? On the evidence so far available, the answer seems to be "no." Genuine production, on however small a scale, was taking place in Britain, but clearly in our current state of knowledge, this must be a matter of debate.

The theoretical framework includes trying to explain in analytical terms why intra-industry involvement of this kind took place at all, especially in the nineteenth century under very different conditions from today. Traditional analysis of both international trade and international production stresses the springboard of the advantages enjoyed by the initiating firms, so that specialization by one or the other country might have been expected.

Intra-industry trade and investment of consumer products are, however, nowadays analyzed in terms of product differentiation: [6;9] British and US consumers have broadly similar tastes, cultural backgrounds and incomes, and in products such as medicines look for some choice of brands to satisfy a want, in this case good health. The extent to which trade is replaced by overseas production in the host country will depend on barriers such as tariffs and on considerations such as the conflicting advantages of scale economies--as against plant specialization--and transaction costs. Underlying all these factors must be the behavior of individual entrepreneurs, whose perceptions of the opportunities involved may lead them into the kinds of interaction which we have seen in this particular industry, and whose idiosyncratic conduct does not always make for tidy analysis.

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