CALIFORNIA MEDICAL ASSOCIATION

This department contains official notices, reports of county society proceedings and other information having to do with the State Association and its component county societies. The copy for the department is submitted by the State Association Secretary, to whom communications for this department should be sent. Rosters of State Association officers and committees and of component county societies and affiliated organizations, are printed in the front advertising section on pages 2, 4 and 6.

CALIFORNIA MEDICAL ASSOCIATION†

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KARL L. SCHAUPP, M.D. ..... President-Elect
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JOHN HUNTON ..... Executive Secretary

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† For complete roster of officers, see advertising pages 2, 4, and 6.

CALIFORNIA COMMITTEE ON PARTICIPATION OF THE MEDICAL PROFESSION IN THE WAR EFFORT†

California Procurement and Assignment Service

Following the suggestion made at the January 12-13 meeting of Procurement and Assignment Service in San Francisco by national officers of that service, Dr. Harold A. Fletcher, California State Chairman for Physicians, has appointed a Coördinating Committee for the consideration of problems of medical care in California.

This committee has already held several meetings and is planning weekly sessions, at least for the time being, for the consideration and solution of situations of acute medical shortages which now exist or might come about in California. The first situation under discussion is that in Richmond, where a population of some 90.000 people has grown out of a prewar population of 20,000 and has put a serious strain on the existing medical resources.

Object of the Coördinating Committee is to bring into one group all the resources of agencies with a knowledge of and interest in the field of health service. Washington officials of Procurement and Assignment Service have urged a closer coöperation between these agencies as a means of solving problems which one agency or another might not be able to handle by itself.

Membership of the Coördinating Committee consists of:

Harold A. Fletcher, M. D., Chairman; California State Chairman for Physicians, Procurement and Assignment Service.

W. T. Harrison, M. D., Medical Director, U. S. Public Health Service.

Wilton L. Halverson, M. D., Director, California State Department of Public Health.

Albert E. Larsen, M. D., Medical Director, California Physicians' Service.

Morton Gibbons, Sr., M. D., Medical Director, California State Council of Defense.

L. P. Foard, M. D., Regional Medical Officer, Office of Civilian Defense.

Ernest Sloman, D. D. S., Dental Chairman, 9th Corps Area, Procurement and Assignment Service.

John Leggett, D. D. S., California Chairman for Dentists for Northern California, Procurement and Assign-

† Harold A. Fletcher, M. D., 490 Post Street, San Francisco, is the State chairman on Procurement and Assignment Service, with supervision of all counties north of the fourteen southern counties.

Associate California chairman for the fourteen southern counties is Edward M. Pallette, M. D., 1930 Wilshire Boulevard, Los Angeles.

U. S. Army Medical Corps Recruiting Boards are in charge of Major F. F. South, M.C., at Room 1331, 450 Sutter St., San Francisco (EXbrook 0450), and Major C. A. Darnell, 1930 Wilshire Boulevard, Los Angeles (DRexel 5241).

The Office of Naval Officer Procurement for the northern section of California is in charge of Capt. L. C. Arnold, U.S.N. The Senior Medical Officer is Capt. Philip K. Gilman, U.S.N.R. The office is located at Room 515, 703 Market Street, San Francisco. Telephone EXbrook 3386, Local 46.

For the southern section of the State, the Office of Naval Officer Procurement is in charge of Lt. Comdr. John P. Ewing, MC. The office is located at the Naval Armory, 850 Lilac Terrace, Los Angeles.

For roster of Procurement Service Committees of County Medical Societies, see July issue of CALIFORNIA AND WESTERN MEDICINE, on pages 93-94.

ment Service.

Karl A. Schaupp, M. D., 9th Corps Area Chairman, Procurement and Assignment Service.

Milton Rose, M. D., Regional Director, Red Cross Unit.

George C. Hahn, D. D. S., President, California State Dental Association.

Anthony J. J. Rourke, M. D., Superintendent, Stanford Hospital.

William P. Shepard, M. D., Metropolitan Life Insurance Co.

Procurement of Medical Officers for the Army in 1943

NOTE.—*The following is an official statement from the Medical Corps of the United States Army indicating the procedure to be followed in procuring medical officers for the Army during 1943.*

The Surgeon General is responsible for the procurement of medical officers for the Army of the United States. There is an Officer Procurement Service set up by the War Department for the procuring of applications of individuals for commission in the Army. The War Manpower Commission has set up a Procurement and Assignment Service for Physicians, Dentists and Veterinarians to designate the individuals who are essential to the community and those available for duty with the armed forces.

In order to coördinate the work of these two agencies, the Surgeon General has outlined the following procedure for the procurement of officers during the year 1943:

The State chairmen of the Procurement and Assignment Service for Physicians, Dentists and Veterinarians will from time to time prepare lists of individuals who are declared available for duty. Their names will be sent to the Central Office of the War Manpower Commission in Washington, D. C. There a card will be prepared and sent to the individual informing him of the fact that he has been classified as available for military service and requesting that he send the attached card to the State chairman of the Procurement and Assignment Service signifying his interest in applying for a commission, and stating his preference for duty with the Army or Navy. Those who choose to serve in the Army may request that their papers be processed with the idea of assigning them to duty with the Air Forces.

The State chairmen will furnish the candidate to the designated field office of the Officer Procurement Service of the War Department. This office will request the individual physician, dentist or veterinarian to complete the proper application blanks and return them to that office and to have a final type physical examinatiton, which will be accomplished at the nearest properly equipped army post.

The Officer Procurement District's office will forward the papers to the Surgeon General in Washington, who will then review the application for commission in the Medical Corps, Army of the United States. Those applications with the notation "Air" as designated will be referred to the Office of the Air Surgeon for further classification and assignment. Those applicants who are favorably considered will be notified at the earliest possible date by the Office of the Adjutant General that their recommendation is accepted and will receive orders to proceed to their proper station.

It is hoped by following this procedure that the Surgeon General will be able to provide an adequate medical service for our armed forces. It is contemplated that all individuals who are classified as essential to the civilian medical needs will not be asked to apply for a commission. No individual so classified need contact the Surgeon General or apply for a commission unless he can make arrangements with the State chairman of the Procurement and Assignment Service to have his classification changed from essential to available. The coöperation and interest of all physicians who are interested in military medical service will be appreciated, in that by proper application and processing of their case it will be much easier to provide necessary medical care for all parts of both the civilian and military services.

Concurrent with the changes in the military and civilian requirements for physicians and the changes in the recruiting procedures, the Surgeon General has announced the following policy, which will govern action to be taken in the consideration of ages and grades of initial appointments on all applicants effective February 15, 1943:

1. Eligible applicants for appointment in the Medical Corps, Army of the United States, under the age of 38 will be appointed in the grade of first lieutenant only.

2. Eligible applicants between the ages of 38 and 55 will be appointed in the numbers and in the grade for which specific position vacancies exist.

There is an acute need for medical officers under 38 years of age. Applications are being solicited from physicians of this age group in those localities that have not furnished their quotas of physicians and where they are designated by the Procurement and Assignment Service as available for military service.

Appointments will be made by the Adjutant General of eligible applicants recommended by the Surgeon General and approved by the Secretary of War's Personnel Board.—*J.A.M.A.*

U. S. Treasury Regulations No. 5: Concerning Prescribing of Narcotics by Physicians in Military Service

State of California
Department of Penology
DIVISION OF NARCOTIC ENFORCEMENT
San Francisco, January 29, 1943.

Dear Doctor Kress:

We have just received a copy of the amendments made to Regulations No. 5, of the U. S. Treasury Department, concerning the prescribing of narcotics by officers of the medical corps of the Army and Navy of the United States.

Since these amendments will be of interest to members of the medical profession, we are enclosing herewith a copy of the amended regulations. Would you please publicize these changes in the next issue of your publication?

With best personal regards, I remain,
Very sincerely,
PAUL E. MADDEN, *Chief,*
Division of Narcotic Enforcement.

TITLE 26—INTERNAL REVENUE
CHAPTER 1—BUREAU OF INTERNAL REVENUE
(T. D. 33)

Part 151—Regulations Under the Internal Revenue Code Relating to Narcotics
(Regulation No. 5)

Importation, Manufacture, Production, Compounding, Sale, Dealing In, Dispensing and Giving Away of Opium or Coca Leaves or any Compound, Manufacture, Salt, Derivative, or Preparation Thereof.

Amendment to Joint Narcotic Regulations Made by the Commissioner of Narcotics and the Commissioner of

Internal Revenue with the Approval of the Secretary of the Treasury.

Section 151.95 of Part 151—(Regulations Under Chapter 23 and 27 of the Internal Revenue Code), Article 95 of Bureau of Narcotics Regulations No. 5, dated June 1, 1938, is hereby amended by adding thereto the following:

Officers of the medical corps of the Army and Navy, in the course of official medical treatment of Army and Navy personnel and members of their families entitled to receive such treatment, are required to issue prescriptions for these patients which may call for narcotic drugs or preparations. Under circumstances where the drug or preparation required by the patient for medical use cannot be furnished from official stocks, it is necessary that it be obtained, pursuant to the official prescription, from a drug store duly qualified by registration under the Federal narcotic law to fill narcotic prescriptions.

Such prescriptions, issued in the course of official professional practice only, and prepared on official blanks or stationery (such as printed forms of an army or navy hospital or dispensary) and otherwise meeting the requirements of Narcotic Regulations No. 5 (Part 151, Chapter I, this Title), relating to narcotic prescriptions, may be filled by a duly registered druggist although they do not bear a registry number of the issuing practitioner; provided they bear the signature, title, corps, and serial or jacket number of the issuing medical officer. Such prescriptions, when filled, shall be filed with, and retained for the same period as narcotic prescriptions issued by regularly registered practitioners and filled by the druggist.

This procedure shall not apply in the case of prescriptions written by an army or navy medical officer in the treatment of a private patient, i.e., a patient not entitled to receive medical treatment from the physician in the latter's capacity as a service medical officer. In prescribing and dispensing narcotic drugs to such private persons, the officer is subject to all the requirements of the Federal narcotic law, including registration and payment of tax, as are imposed upon other physicians conducting private medical practice.

(Signed) H. J. ANSLINGER,
Commissioner of Narcotics.

(Signed) GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved: December 21, 1942.

(Signed) HERBERT E. GASTON,
Acting Secretary of the Treasury.

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48 American Doctors Die in U. S. Service in 1942

Forty-eight U. S. physicians died in military service in 1942, eleven of them in action, the *Journal* of the American Medical Association reported recently.

The *Journal*, in its annual compilation, said there were at least 3,353 deaths of physicians in this country during the year.

The average age at death was 65, as compared with 65.9 in 1941.

"Medical Journal Abstracts" for Physicians in the Armed Forces

In the *Journal American Medical Association*, dated January 23, 1943, a note appears that E. R. Squibb & Sons is distributing to physicians in the armed forces a publication, *Medical Journal Abstracts*. . . .

Medical Journal Abstracts attempts to cover the entire field of medicine and to issue abstracts the *month following date of publication* whenever practicable—the notable exception of course being those periodicals which are printed elsewhere than in the United States. At present more than 165 periodicals are represented and the list is being extended. *Medical Journal Abstracts* is strictly altruistic in its objective and contains no advertising. It is sent only to physicians in the armed services, and is now reaching an appreciable percentage of those in this country and a number overseas.

U. S. Army Will Train Doctors As Specialists

Secretary of War Stimson recently announced a series of special courses whereby several thousand additional army medical and dental officers "will become sufficiently qualified to overcome an acute shortage" in many groups of specialists.

At his press conference, Stimson disclosed the courses will begin January 1st and from 200 to 400 officers will be selected for each class.

"The distribution of professional medical men trained for medical and surgical specialties," he said, "has proved inadequate to meet the demands of war."

However, the secretary added, there are a number of army medical corps officers who could "with a short intensive course, become qualified in a particular specialty, help eliminate the deficit in that specialty."

Stimson said the medical courses for army doctors will be provided at the schools of medicine of the following civilian institutions:

University of Illinois, Northwestern University, Columbia University University of Pennsylvania, Harvard University, Washington University (St. Louis, Mo.), University of Michigan, Johns Hopkins University, University of California, Stanford University, University of Oregon, Duke University, Lahey Clinic, Boston; Mayo Foundation, Rochester, Minn.; Tulane University, University of Wisconsin, University of Tennessee, University of Chicago, University of Minnesota and Ohio State University.

Military Clippings—Some news items of a military nature from the daily press follow:

10,000 Doctors Will Join Armed Services in 1943

Washington, Jan. 9.—(AP.)—The War Manpower Commission disclosed today 10,000 more of the Nation's 180,000 physicians will be taken by the armed forces in 1943 and said this will leave "more than 80,000" doctors for the civilians.

Chairman Paul V. McNutt promised every effort to provide adequate medical care for civilians, partly through voluntary relocation of doctors to areas of greatest need.

Dr. Frank H. Lahey, chairman of the directing board of the W.M.C.'s procurement and assignment service for physicians, said 80,000 active civilian physicians "is a sufficient number to care for the needs of the civil population if these men and women are properly distributed and allocated and if civilians will take every possible health precaution to keep well."

Doctor Shunning Army Is Ordered Drafted

Chicago, Jan. 9.—(INS.)—Because he did not make application for a commission in the army medical corps, a Chicago physician has been ordered to report to his draft board for induction as a private, it was disclosed today by Lieutenant Colonel E. Mann Hartlett, Illinois selective service medical director.

It is one of the first actions of the kind in the country, Colonel Hartlett said.

The doctor affected by the order had been declared available by the physicians procurement and assignment service last July, but failed to apply for a commission and his draft board was advised to induct him.—Fresno *Bee*, January 9.

COMMITTEE ON PUBLIC POLICY AND LEGISLATION†

Legislative Bulletin No. 1—Public Health League of California

The 55th session of the California Legislature convened at noon on Monday, January 4, 1943. Assemblyman Charles W. Lyon of Los Angeles was elected Speaker of the Assembly and Assemblyman Thomas A. Maloney of San Francisco was elected Speaker Pro Tempore. The Senate elected Senator Jerrold L. Seawell of Roseville as President Pro Tempore. Lieutenant-Governor Frederick F. Houser is president of the Senate.

Predictions are for a short session of the Legislature, as compared with those of recent years, but some of the veterans are wondering if actual adjournment will be reached before the early summer.

Although the general theme is to the effect that only legislation concerned with prosecution of the war effort will be considered, it is to be expected that many of the old issues that have confronted us in the past may be resurrected with an effort to tie them in with the war program. Constant vigilance is necessary.

605 Bills Introduced

As of this date (January 16, 1943), 605 bills have been introduced—213 in the Senate and 392 in the Assembly. No legislation sponsored by ethical medicine or dentistry has been introduced to date. A series of eight bills sponsored by the Association of California Hospitals have been introduced and assigned to committees for hearing when the second session of the Legislature convenes.

Committees

Principal interest to date has been in the make-up of the committees of the two houses. The Assembly has streamlined its organization and there is no longer a Committee on Medical and Dental Laws and a Committtee on Hospitals and Asylums. All committees dealing with health legislation have been combined into the Public Health Committee consisting of 23 members.

Personnel of the committees of particular interest to members of the League follows:

Assembly Committee on Public Health
(23 Members)
(D—Democrat) (R—Republican)

Chairman, Franklin J. Potter (R), Attorney, Hollywood
Vice-Chairman, Ernest E. Debs (D), Tax Statistician, Los Angeles
Edward J. Carey (R), Insurance Broker, Emeryville
Sam L. Collins (R), Attorney, Fullerton
Earl D. Desmond (D), Attorney, Sacramento
Ralph C. Dills (D), Teacher, Compton
C. Don Field (R), Trucking Contractor, Glendale
Edward M. Gaffney (D), Insurance, San Francisco
Chester F. Gannon (R), Attorney, Sacramento
Augustus F. Hawkins (D), Businessman, Los Angeles
John B. Knight (R), Businessman, Los Angeles
Frederick H. Kraft (R), Druggist, San Diego
Jacob M. Leonard (R), Commercial Secy., Hollister
Jack Massion (D), Druggist, Los Angeles
Richard H. McCollister (R), Insurance Broker, Mill Valley
Raup Miller (R), Insurance, Palo Alto
Kathryn T. Niehouse (R), San Diego
Edward F. O'Day (D), Attorney, San Francisco
John B. Pelletier (D), Research, Los Angeles
Lothrop Smith (R), Attorney, Alhambra
John F. Thompson (D), Farmer, San Jose
James E. Thorp (R), Farmer, Lockeford
Frank J. Waters (R), Attorney, Los Angeles

Senate Committee on Business and Professions
(9 Members)

Chairman, John F. Sheeley (D), Labor Executive, San Francisco
Vice-Chairman, H. R. Judah (R), Civic Auditorium Manager, Santa Cruz
Ed Fletcher (R), Land and Water Development, San Diego
James J. McBride (D), Insurance, Ventura
John Harold Swan (D), Junior College Teacher, Sacramento
Hugh M. Burns (D), Funeral Director, Fresno
George J. Hatfield (R), Farmer, Newman
R. R. Cunningham (D), Real Estate, Insurance, Hanford
H. E. Dillinger (D), Merchant, Placerville

Senate Committee on Public Health and Safety
(9 Members)

Chairman, Thomas F. Keating (D), Attorney, San Rafael
Frank L. Gordon (R), Farmer, Suisun
George M. Biggar (R), Farmer, Covelo
Oliver J. Carter (D), Lawyer, Redding
Hugh P. Donnelly (D), Insurance, Turlock
H. E. Dillinger (D), Merchant, Placerville
Hugh M. Burns (D), Funeral Director, Fresno
Chris N. Jespersen (R), Farmer, Atascadero
Randolph Collier (R), Title Business, Yreka

Your League has again established an office in the Hotel Sacramento, where the Executive Secretary, Ben H. Head, can be reached at all times.

California Legislature

55th Session: Report on Bills Introduced
(A—Assembly Bill; S—Senate Bill)

The following is a partial list of proposed statutes introduced prior to the February recess of the California Legislature:

S. 81 and A. 186 propose to amend the sales tax by exempting therefrom the sale of medicines sold as dietary supplements or adjuncts.

A. 6 proposes to amend the osteopathic practice act by eliminating the existing requirement that osteopaths, at the time of the annual renewal of their licenses, present satisfactory evidence of the completion, during the preceding year, of a minimum of thirty hours of professional educational work as approved by the osteopathic board.

A. 44 proposes to amend the Revenue and Taxation Code by exempting from the sales tax medicines or drugs, defined to include any substance or mixture of substances intended to be used internally or externally in the diagnosis, cure, treatment or prevention of diseases of man.

A. 80 proposes to amend the Revenue and Taxation Code so as to include the sales of medicines used as dietary supplements or adjuncts.

A. 129 proposes to amend the Revenue and Taxation Code by exempting from the sales tax the sale of medicines and drugs used in the diagnosis, cure, mitigation, treatment or prevention of disease in man, but not including any instrument or apparatus.

A. 152 proposes the appropriation of $2,000,000 to the regents of the University of California to be expended for the erection and equipment of a hospital to be maintained and supported by the regents in conjunction with the medical school of the University of California.

A. 227 proposes to amend the law relative to the liability of innkeepers so as to include hospitals by providing that a hospital shall be liable for losses of or injuries to personal property belonging to patients to the same degree as would a depositary for hire and providing further that if the hospital keeps a fireproof safe and notifies the patient to that effect then it is not liable for loss or damage to the personal property of a patient except so far as the acts of the hospital contribute thereto.

A. 230 proposes to authorize payments, out of the general funds of a city, city and county, or county, of a physician's fee for issuing a food certificate to any person needing more than the ration thereof might provide.

A. 292 proposes to amend the State labor code by prohibiting an employer or insurance company writing compensation insurance from contracting with any physician,

† Component County Societies and California Medical Association members should not give endorsements to proposed legislation unless the California Medical Association Committee on Public Policy and Legislation has so requested. On such matters, address: California Medical Association Committee on Legislation, Dwight Murray, M. D., Chairman, 450 Sutter, San Francisco. Telephone, DOuglas 0062.

For address of California Public Health League, see adv. page 6.

hospital or other person for the medical or surgical care or hospitalization of any injured person on the basis of such physician, hospital or other person receiving a percentage of the gross premiums collected by such insurance company or on the basis of any percentage of such employer's payroll or on the basis of any fixed charges which are less than the reasonable value of such services as fixed by rates adopted by the industrial accident commission. The bill would further prohibit a physician, hospital or other person from paying over to an employer or insurance carrier any rebate for sums received for the medical or surgical care or hospitalization of any injured employee.

A. 326 proposes to amend the Business and Professions Code relating to the practice of nursing by exempting therefrom the performance of certain services in case of an individual emergency and during a national emergency arising out of war or during an epidemic or other public disaster.

A. 327 proposes to amend the health and safety code regulating the licensing of clinics, dispensaries and maternity hospitals by exempting from such regulation a hospital corporation organized and operated exclusively for charitable purposes.

A. 328 proposes an amendment to the civil code which would create a lien in favor of doctors and hospitals for reasonable charges for hospital care, treatment and maintenance of an injured person, including drugs, supplies and x-ray and laboratory services, on any recovery of any sum had or collected by such injured person whether by judgment or by settlement, not to exceed, however, 50 per cent of such recovery. The proposal then sets forth certain notice requirements which the hospital or physician must give and provides a penalty against any person making payment or settlement of a claim without paying the amount covered by the lien. These provisions would not be applicable to claims arising under the workmen's compensation act, claims for wrongful death or negligent injury to a minor or claims for wrongful death to an adult or minor leaving a husband, wife or children.

A. 329 proposes to amend the law relating to medical and hospital care to indigents by prohibiting the board of supervisors from letting the care, maintenance or attendance of such indigent sick or dependent poor by contract to any person, except that in cases of unusual difficulty or which require treatment or the use of facilities not immediately available in the county and in cases of emergency the board may secure by contract hospital care within or without the county, including medical, surgical, x-ray, laboratory, nursing and general hospital service at a cost not exceeding the fair and reasonable value thereof, in either a private or a State supported institution.

A. 334 proposes to amend the Business and Professions Code relating to the practice of chiropody by redefining chiropody to mean the diagnosis, medical, surgical, mechanical, manipulative and electrical treatment of the human foot and leg. The "and leg" is new and is substituted for the words "including the nonsurgical treatment of the muscles and tendons of the leg governing the functions of the feet."

A. 335 proposes to amend the health and safety code by including a chiropodist in the class of persons who may purchase hypodermic syringes or hypodermic needles or may sign an authorization for such purpose.—*J.A.M.A.*, Vol. 121, No. 5.

California Solons Take Recess Until March 8

Sacramento, Feb. 1.—(INS.)—Legislators today began a 36-day recess, following a 27-day history-making January session of the California Legislature which saw lawmakers enact many emergency measures and grant Governor Earl Warren broad wartime powers.

As the gavel fell on the first part of the fifty-fifth session yesterday and recessing the Legislature until March 8th, legislators had introduced 3,000 bills plus scores of resolutions and proposed constitutional amendments.

Fewer Measures

Although the 3,000 mark was higher than expected, it was still short of the 4,000 bills presented to the Legislature two years ago.

Sandwiched between the regular January session was a special session which enacted the administration's War Powers Act, completely reorganizing civilian defense and creating a 14 member State war council to direct civilian defense activities. . . . —San Francisco *Examiner*, February 2.

Concerning Proposed Amendments to Medical Practice Acts, Permitting Temporary Licensure*

In the January issue of CALIFORNIA AND WESTERN MEDICINE, on pages 2 and 36, appeared comment concerning proposed legislation designed to amend Medical Practice Acts. Of interest, in connection therewith, is the letter which follows, wherein the point of view of the Oklahoma Board of Medical Examiners is expressed.

* * *

(COPY)

OKLAHOMA BOARD OF MEDICAL EXAMINERS

December 19, 1942.

Walter L. Bierring, M. D., Secretary,
Federation of State Medical Boards
of the United States,
406 Sixth Avenue,
Des Moines, Iowa.

Dear Doctor:

This will acknowledge your letter of December 10, 1942, together with enclosures of Proposed Legislation to Authorize and Provide for the Temporary Admission of Practice in this State [Oklahoma] of Physicians and Dentists to Protect the Health of the Civilian Population During the War Emergency Period, also Statement of Principles to be Recommended to the respective State Boards, etc. You are advised that at the regular meeting of the Oklahoma State Board of Medical Examiners, after a full and free discussion of this matter, it was the unanimous opinion of the Board that we are not in accord with findings of the Committee, and do not concur in proposed legislation for the following reasons:

1. We have had some experience with these so-called temporary permits. They are very easy to issue, but very difficult to revoke or terminate, and sometimes easy to transfer.

2. In order to comply with this idea, it would be necessary to completely amend our present laws of Oklahoma, which we think might be extremely dangerous to the profession. Amendments could and would be made not germane to the subject, as amendments would be introduced by radical interest that the Oklahoma State Medical Association has fought for years. We are of the opinion that it would only lower the standards we have been years building up.

3. Oklahoma has no direct reciprocity with any State. Reciprocity is within the discretion of the Board. We reserve the right to reciprocate with those States whose credentials equal or exceed those of Oklahoma, and the Board is sole judge of said credentials.

4. We do not believe it possible to issue a permit to practice in this State and confine the licentiate to a particular area. We have also had experience in this matter.

5. Our board is self-supporting through fees collected from examination, reciprocity, endorsements and annual registration, no legislative appropriation being made. It would, therefore, require a special appropriation by the legislature, which would be necessary to defray expenses of the Board. We feel that the legislature would be unwilling to do this. We would not agree to Section 7 in proposed statement of principles.

6. We do not believe there is an actual shortage of physicians or dentists in Oklahoma, and we know of no one actually suffering due to a supposed shortage of physicians.

7. We do not believe it is just or fair to those already in the service to pass this proposed legislation.

8. The Oklahoma State Board of Medical Examiners has requested that your office furnish us with the names of the members of the Committee of the Federation of State Medical Boards and of the Procurement and

* For editorial reference, see page 58.

Assignment Service present at meeting, as well as the States which they represented, held in Washington, D. C., December 6, 1942.

Yours very truly,
JAMES D. OSBORN, M. D., *Secretary, Oklahoma State Board of Medical Examiners, and President of Oklahoma State Medical Association.*

COMMITTEE ON MEDICAL EDUCATION AND MEDICAL INSTITUTIONS

Statement by Judge M. C. Sloss, Vice-President, Board of Trustees, Stanford University

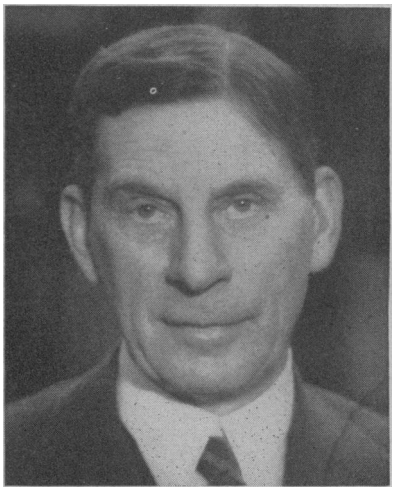
Dr. Donald Bertrand Tresidder, a Stanford graduate with the degrees of A. B. and M. D., was elected on January 21, 1943, by the Board of Trustees as president of the University.

Dr. Tresidder was graduated from Stanford in 1919, and from Stanford Medical School in 1927, having been a teaching assistant in anatomy and physiology. He was elected to the Board of Trustees in December, 1939, and as president of the Board in May, 1942. He was the youngest member of the Board. For more than twenty years he has been closely identified with the educational and administrative policies of the University. He is president of the Yosemite Park and Curry Company.

Donald B. Tresidder, M. D.
President-Elect, Stanford University

He succeeds Dr. Ray Lyman Wilbur, who became president of the University January 1, 1916, and since June, 1941, has been its chancellor and acting president. Dr. Wilbur continues as acting president until the end of the present academic year and then as chancellor, to which position he was elected for life tenure.

Search for a new president of the University was undertaken by a joint committee of the trustees and faculty appointed in 1940, and many possibilities were considered. In December, while Dr. Tresidder was in the East interviewing a list of scholars on behalf of the Trustees, the ten heads of the schools, composing the University, prepared and submitted a petition to the Board recommending Dr. Tresidder's election as president. Dr. Tresidder in his contacts with the faculty members had impressed them deeply with his insight into academic problems and his ideals for a university of high degree. Several of the deans were members of an advisory faculty committee which had already reviewed many candidates for the position. After final review and consideration of the entire situation, the members of the Board of Trustees were unanimous in their selection. Dr. Tresidder resigned as a member of the Board since, under the Founding Grant, the president cannot be a member of the Board.



Chancellor Ray Lyman Wilbur, M. D.
Acting President, Stanford University

For the second time in the history of Stanford University, a doctor of medicine has been elected president of the University by action of the Board of Trustees.

He is Dr. Donald Bertrand Tresidder, who, though a qualified M. D., has spent the greater part of his life in the development of Yosemite National Park and in identifying himself closely with the educational and administrative policies of Stanford University. He succeeds Chancellor Ray Lyman Wilbur, also a doctor.

At the age of 49, Dr. Tresidder will reach the peak of a Stanford career which began in 1915 when, as an undergraduate, he worked for his board and room by cooking for a professor of the University.

The head of Stanford will assume his new position on September 1, 1943. He is now president of the Yosemite Park and Curry Company, a position he has held since 1925. He resigned presidency of the Stanford Board of Trustees to accept the university position. Dr. Ray Lyman Wilbur, widely-known president of Stanford University for more than 25 years, reached the retirement age in 1941 when he was appointed chancellor and agreed to serve as acting president until a successor had been chosen.

Dr. Tresidder in his contacts with the faculty members has impressed them deeply with his insight into academic problems and his ideals for a university of superlative quality. In December, the ten heads composing the university prepared and submitted a petition to the Trustees recommending Dr. Tresidder's election as president. Search for a new president was first undertaken in 1940 and many possibilities had been considered.

In accepting the presidency, Dr. Tresidder said:

"The leadership of a distinguished, independent, gift-supported university in these critical times presents both a compelling challenge and heavy responsibilities. I believe implicitly in the future of Stanford as it continues

to serve the living needs of people through education and research, and as it measures up fully to its responsibilities.

"However long the struggle or severe the dislocations arising out of the war, Stanford will maintain a focus where clear, realistic thinking is combined with a fresh, sturdy idealism—where tolerance, respect for the culture of other races and true understanding of the art of living form the cornerstone of a man's education—be he a future scientist, technician, business man or statesman."

Dr. Wilbur Lauds Dr. Tresidder, New President of Stanford

Following election of Dr. Donald B. Tresidder to the presidency of Stanford University, Dr. Ray Lyman Wilbur, acting president, issued the following statement:

"There is an old story about those who sought treasure afar and were surprised upon their return home to find what they were looking for in their own garden. A long search for a new president for Stanford University ends with the selection of one of our most beloved alumni, a Stanford man through and through. Dr. Donald Bertrand Tresidder has a fine mind, a fine spirit, and an appreciation of the true values of higher education. He believes in the privately endowed and privately supported university as of vital importance in our republic.

"Dr. Tressider will go on where some of the rest of us leave off, with the confidence of all and with a sense of public responsibility that will make him an American leader as well as an exceptionally able administrator."—San Francisco *News*, January 22.

COMMITTEE ON SCIENTIFIC WORK

Annual Session—Hotel Biltmore, Los Angeles

Sunday, May 2—Monday, May 3, 1943

California and Western Medicine, in its January issue, on pages 32-34 presented preliminary information concerning transportation and hotel facilities. The coming, two-day streamlined session received editorial mention in the December number, on page 341. The component county societies have also received communications in regard to the forthcoming session.

Section officers, whose names appear in each issue on adv. page 6, are at work on their respective programs and invite correspondence from prospective essayists.

Members who may question the advisability of an annual session in 1943, should find recent editorial comment in the *New York State Journal of Medicine* to be of interest. Insertion of California for New York, and Los Angeles for Buffalo, would make the remarks equally applicable to the 72nd annual session of the California Medical Association which will close its session on Monday, May 3rd, the day on which New York will hold its first meetings. Quotation follows:

The 1943 Annual Meeting of the Medical Society of the State of New York will be held in Buffalo, May 3-6, 1943, at the Hotel Statler. It will be the second such meeting in wartime and should be attended by all who can possibly be there; yes, and even by those who for some reason think they can't! We know it will be difficult — use of cars restricted, train travel onerous, bicycles rationed, too far to walk, limited hitching and stable facilities for horses, too expensive to fly, canal boats and barges not running on regular schedules. Conditions were worse in grandfather's day, but he came in large numbers, and so will you.

Much has happened since we met in New York last spring, much that you will want to hear about: war medicine and surgery, new treatments, new instruments, changes in methods of practice, what the profession in various parts of the State and elsewhere is doing and planning to meet its particular needs. Invitations to attend have been sent to the membership of the societies of neighboring States so that for the first time this year you will have the opportunity to meet those of our neighbors who can come. In a way, it promises to be rather a regional meeting, for some of the adjacent States have canceled their meetings or planned them at a different time of year or are holding them too far away. So you will see men and women from Pennsylvania, Ohio, Michigan, New Jersey, and possibly even Canada, as well as from the Empire State.

Make your plans now to come. Later we shall tell you more of the scientific program, but just now we ask you to note the dates and to lay your plans to come. Buffalo, May 3-6, 1943 — write it down *now* in your engagement book, then watch the *Journal* for further announcements.

COMMITTEE ON ASSOCIATED SOCIETIES AND TECHNICAL GROUPS

Nurses' Pay Raise Sought by Hospitals

Scores of California hospitals are seeking governmental approval of an upward adjustment of staff nurses' salaries in line with standards established by the California State Nurses' Association, officers of the group said yesterday.

Some 90 per cent of the State's hospitals, the officers said, have so far agreed to the increases, which are subject to War Labor Board sanction.

Proposed standards call for a minimum entrance salary of $140 a month, without maintenance, for a graduate nurse, with tenure of service boosts at the rate of $2.50 every six months up to $155 a month.

Hospital applications for Government approval are being sent directly to Dr. Paul A. Dodd,* University of California, at Los Angeles, a member of the N.W.L.B. panel, for combined action. Prompt submission of these voluntary applications was urged.

Organized nursing has advised the hospital group that a health crisis in California, with so many nurses joining the armed forces, could result from delay in adjusting salaries to lure new candidates into the field. It was explained that nurses' salaries have not been advanced in recent years to keep pace with the rising cost of living.—San Francisco *Chronicle*, December 27.

Industrial workers are as much a part of an all-out war effort as are the men in uniform, since twelve men are needed in the factory to keep one man in the field and loss of working time is as serious as the loss of a battle. Tuberculosis is two and a half times as great in industry as in the general population. It thus becomes the serious responsibility of the industrial medical officer to protect such workers by case-finding surveys, and the control of tuberculosis is an important phase of industrial hygiene.—G. J. Wherrett, M. D., *Canadian Pub. Health Jour.*, Sept., 1942.

* Paul A. Dodd, Ph.D. will be remembered as the director who gathered the statistics and later wrote a book dealing with the "Medical-Economic Survey of California."

COMMITTEE ON MEDICAL ECONOMICS

Income Taxes: 1943*

Millions of individuals will be called upon early next year to pay income taxes for the first time. Present taxpayers may find their taxes two to four times the amount paid this year. Few people appreciate how heavy a tax burden has been placed upon the average family budget.

The new wartime rates recently enacted by Congress apply to all of 1942. Ten months of the year have already gone by. This is to urge upon all present and prospective taxpayers the importance of

1. Making plans NOW to meet the heavy taxes payable at the end of this year, and

2. Keeping adequate records from which to compute those taxes. . . .

Beginning January 1, an additional "Victory tax" of 5 per cent will go into effect. Wage and salary earners will have it deducted from their pay checks. It applies to all income over $624 a year plus certain specified deductions. Part of the Victory tax is to be returned after the war, unless the taxpayer chooses to use this post-war credit currently in the purchase of government bonds, payment of life insurance premiums, or retiring indebtedness.

With taxes of this magnitude and complexity, it is imperative that individuals keep records which will enable them to prepare returns and take advantage of all deductions and credits permitted by law. . . .

Under the community property law of California a husband and wife share ownership in the family income on a 50/50 basis, except that from the separate property of one spouse. Because of this split ownership, married couples whose total taxable income exceeds $2,000 may reduce their surtaxes by filing separate returns.

The above is directed primarily to individuals. It is equally important that business concerns inform themselves promptly about the taxes due on 1942 business. New individual tax rates range as high as 88 per cent; corporate normal and surtaxes as high as 40 per cent. The corporate excess profits tax is 90 per cent. The very soundness of a business enterprise may be jeopardized through failure to understand and meet the tax problem.

The Physician's Federal Income Tax—1943

Prepared by the A.M.A. Bureau of Legal Medicine and Legislation

The Revenue Act of 1942 has been correctly described as the greatest revenue raising measure in the history of our country and finds its justification in the tremendous needs of our war program, needs having to do with the actual expenditures for war purposes plus needs in relation to inflation potentialities. The act not only will spiral the tax burden of prior taxpayers but will bring into the income tax picture many millions of persons whose low income has heretofore constituted exempt income. Already plans are under way for additional legislation to raise still more revenue, and the tax burden may reasonably be expected to assume even greater proportions.

During the time when the new act was being formulated by congressional committees and when it was being discussed first in the House and in the Senate, advocates of the so-called Ruml pay-as-you-go plan for the payment of individual income taxes persistently suggested the undesirability of a continuation of the existing practice of taxing during a succeeding year the income received by an individual during a preceding year. There has recently been renewed interest in this plan, and the possibility is not remote that a changed policy may be adopted in the reasonably near future, perhaps by March 15. The President, the Treasury Department and leaders in the Congress have openly espoused the theory of the pay-as-you-go plan, and this espousal has given rise to some doubt on the part of taxpayers concerning the filing of returns this year. The doubt has been apparently so widespread as to call for a public statement by the chairman of the House Committee on Ways and Means, the committee that will initiate any change in our tax procedures, advising taxpayers that a return must be filed on or before March 15 and that that return must be based on the provisions of the 1942 Revenue Act. Despite the uncertainties of the future as to the pay-as-you-go matter, therefore, it is essential that the broad requirements of the new act be fully understood by federal income tax payers.

The Revenue Act of 1942 reduces the personal exemptions of single persons from $750 to $500 and of married persons or heads of families from $1,500 to $1,200. It reduces the credit for dependents from $400 to $350. An additional exemption is allowed members of the armed forces below the grade of commissioned officers. If a serviceman is single, then the first $250 of the service pay he received during 1942 is exempt. If he is married or the head of a family, then the first $300 is exempt. The determination of a taxpayer's status in the armed forces and his family status will be made as of the end of the taxable year for the purpose of this particular exemption.

The basic rate of taxation is increased from 4 per cent to 6 per cent. The surtax rate is elevated from 6 per cent on the first $2 000 of surtax net income to 13 per cent, with a constant increase in rates for incomes in the higher brackets. The earned income credit of 10 per cent remains as heretofore. This credit may be claimed in connection with the normal tax but not with the surtax.

The act continues the provision for a simplified tax schedule for use by taxpayers having gross incomes of $3 000 or less, derived wholly from salaries, wages or other forms of compensation for personal services, dividends, interest, rents, annuities or royalties. The use of the simplified form remains optional. If the taxpayer has no deductions, it will, generally speaking, be to his advantage to use this form. If he has deductions he should tentatively figure the tax under both the regular method and the optional method and use whichever method happens to be to his advantage.

Returns under the new act need not be made under oath, as has been the requirement heretofore. This will relieve taxpayers of the petty annoyance of having their returns sworn to before a notary public or some other official authorized to administer oaths. The taxpayer, however, who falsifies a return will be subject to heavy penalties even though he is not required to execute the return under oath.

Who Must File Returns

In General.—1. Returns must be filed by every unmarried person and by every married person not living with spouse, if fross income during 1942 was $500 or more.

2. Returns must be filed by every married person who lived with spouse, if gross income during 1942 was $1,200 or over. If both husband and wife had income and their combined gross income was $1 200 or over, they must either file separate returns or, if both are citizens or residents of the United States and if they were living together at the end of the taxable year, they may file a

* Bulletin of the Los Angeles Chamber of Commerce.

joint return. If a person was married and lived with spouse for only part of 1942, special rules apply with respect to the filing of returns, and physicians who come within this classification should read carefully the instructions given on the tax return blanks.

If the status of a taxpayer, so far as it affects the personal exemption or credit for dependents, changed during the year, the personal exemption and credit must be apportioned, under rules and regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, in accordance with the number of months before and after such change. For the purpose of such apportionment a fractional part of a month should be disregarded unless it amounts to more than half a month, in which case it is to be considered as a month.

Physicians in Military or Naval Service.—The fact that a physician may be in service does not of itself excuse a failure to file a return, for the income tax act applies to persons in service as well as to persons engaged in civilian activities. Physicians who have gone into service, therefore, should if at all possible, file complete returns before the deadline. While, unfortunately, definite regulations have not been issued to cover the situation, it is understood that, if because of the inaccessibility of necessary records a physician in service is unable to file a complete return, he may file a tentative return on which he must estimate his income, deductions and tax as best he can and indicate on the return his reasons for following this procedure. He will be required at a later date to file a complete return, and necessary adjustments in the tax will be made.

If a physician in service is on duty outside the United States no income tax return or payment of any income tax will become due, generally speaking, until the fifteenth day of the third month following the month in which the physician ceases (except by reason of death or incompetency) to be a member of the military forces on sea duty or in service outside the continental United States, or the fifteenth day of the third month following the month in which the present war is terminated as proclaimed by the President, whichever may be the earlier.

Gross and Net Incomes: What They Are

Gross Income.—A physician's gross income is the total amount of money received by him during the year for professional services, regardless of the time when the services were rendered for which the money was paid, assuming that the return is made on a cash receipts and disbursements basis, plus such money as he has received as profits from investments and speculation and as compensation and profits from other sources.

If a physician receives a salary as compensation for services rendered and in addition thereto living quarters or meals, the value to the physician of the quarters and meals so furnished ordinarily constitutes income subject to tax. If, however, living quarters or meals are furnished for the convenience of the employer, the value thereof need not be computed and added to the compensation otherwise received by the physician. As a general rule, the test of "convenience of the employer" is satisfied if living quarters or meals are furnished to a physician who is required to accept such quarters and meals in order to perform properly his duties. For example, if a physician employed by a hospital is subject to immediate service at any time during the twenty-four hours of the day and therefore cannot obtain quarters or meals elsewhere without material interference with his duties and on that account is required by the hospital to accept the quarters or meals furnished by it, the value thereof need not be included in the gross income of the physician.

Net Income.—Certain professional expenses and the expenses of carrying on any enterprise in which the physician may be engaged for gain may be subtracted as "deductions" from the gross income, to determine the net income on which the tax is to be paid. An "exemption" is allowed, the amount depending on the taxpayer's marital status during the tax year as stated before. These matters are fully covered in the instructions on the tax return blanks.

Earned Income.—In computing the normal tax, but not the surtax, there may be subtracted from net income from all sources an amount equal to 10 per cent of the earned net income, except that the amount so subtracted shall in no case exceed 10 per cent of the net income from all sources. Earned income means professional fees, salaries and wages received as compensation for personal services, as distinguished from receipts from other sources.

The first $3,000 of a physician's net income from all sources may be regarded under the law as earned net income, whether it was or was not in fact earned within the meaning set forth in the preceding paragraph. Net income in excess of $3,000 may not be claimed as earned unless it in fact comes within that category. No physician may claim as earned net income any income in excess of $14,000.

Physicians in Military or Naval Service

As previously pointed out, physicians in service are as much subject to the income tax law as are physicians engaged in civilian practice. The service pay of such physicians must be reported as income. Commutation of quarters and rental value of quarters occupied by medical officers, however, are not taxable income.

If the ability of physicians in service to pay income taxes is materially affected by such service, payment of the tax falling due before or during the service may be deferred for a period extending not more than six months after termination of service. This deferment is authorized by section 513 of the Soldiers' and Sailors' Civil Relief Act of 1940 and applies to all members of the Army, Navy, Marine Corps and Coast Guard, and to all officers of the United States Public Health Service detailed by proper authority for duty either with the Army or Navy, on active duty or undergoing training or education under the supervision of the United States preliminary to induction into service. This does not apply to the tax imposed on employers by section 1400 of the Federal Insurance Contributions Act. This deferment is not automatic. The taxpayer must present evidence to show that his ability to pay the tax is materially impaired by reason of military service. Proof of that impairment should be submitted at the time the tax is due, on a form procurable from the offices of the collectors of internal revenue. A copy of the form was reproduced in the February 28, 1942 issue of the *Journal* on page 737.

The Victory Tax

The physician need give no consideration to the new 5 per cent Victory tax in making his return on or before March 15. As explained in the *Journal*, December 5, 1942, this tax does not apply to income received during 1942, although physicians who are classifiable as employees will periodically have the tax withheld from their salaries during 1943.

Taxation of Accounts Receivable

The Revenue Act of 1942 remedies an unjust method of taxation that has heretofore prevailed in connection with the unpaid accounts on the books of a taxpayer at the time of his death. Under prior law, for the year of death, the value of such accounts has been included as income and subject to the income tax rates, even though

the taxpayer actually received no income at all therefrom. Hereafter the value of the unpaid accounts will not be considered as a part of the income of the decedent for the year of death but will be taxable when paid, as a part of the income of the person receiving the money. A detailed discussion of this matter was published in the *Journal,* January 10, 1942, page 149.

Deductions for Professional Expenses

A physician is entitled to deduct all current expenses necessary in carrying on his practice. The taxpayer should make no claim for the deduction of expenses unless he is prepared to prove the expenditure by competent evidence. So far as practicable, accurate itemized records should be kept of expenses and substantiating evidence should be carefully preserved. The following statement shows what such deductible expenses are and how they are to be computed:

Office Rent.—Office rent is deductible. If a physician rents an office for professional purposes alone, the entire rent may be deducted. If he rents a building or apartment for use as a residence as well as for office purposes, he may deduct a part of the rental fairly proportionate to the amount of space used for professional purposes. If the physician occasionally sees a patient in such dwelling house or apartment, he may not, however, deduct any part of the rent of such house or apartment as professional expense; to entitle him to such a deduction he must have an office there, with regular office hours. If a physician owns the building in which his office is located, he cannot charge himself with "rent" and deduct the amount so charged.

Office Maintenance.—Expenditures for office maintenance, as for heating, lighting, telephone service and the services of attendants are deductible.

Supplies.—Payment for supplies for professional use are deductible. Supplies may be fairly described as articles consumed in the using; for instance, dressings, clinical thermometers, drugs and chemicals. Professional journals may be classified as supplies and the subscription price deducted. Amounts currently expended for books, furniture and professional instruments and equipment, "the useful life of which is short," generally less than one year, may be deducted; but if such articles have a more or less permanent value, their purchase price is a capital expenditure and is not deductible.

Equipment.—Equipment comprises property of a more or less permanent nature. It may ultimately wear out, deteriorate or become obsolete, but it is not in the ordinary sense of the word "consumed in the using."

The cost of equipment such as has been described, for professional use, cannot be deducted as expense in the year acquired. Examples of this class of property are automobiles, office furniture, medical, surgical and laboratory equipment of more or less permanent nature, and instruments and appliances constituting a part of the physician's professional outfit, to be used over a considerable period of time, generally over one year. Books of more or less permanent nature are regarded as equipment and the purchase price is therefore not deductible.

Although the cost of such equipment is not deductible in the year acquired, nevertheless it may be recovered through depreciation deductions taken year by year over its useful life, as described later.

No hard and fast rule can be laid down as to what part of the cost of equipment is deductible each year as depreciation. The amount depends to some extent on the nature of the property and on the extent and character of its use. The length of its useful life should be the primary consideratiton. The most that can be done is to suggest certain average or normal rates of depreciation for each of several classes of articles and to leave to the taxpayer the modification of the suggested rates as the circumstances of his particular case may dictate. As fair, normal or average rates of depreciation, the following have been suggested: automobiles, 25 per cent a year; ordinary medical libraries, x-ray equipment, physical therapy equipment, electrical sterilizers, surgical instruments and diagnostic apparatus, 10 per cent a year; office furniture, 5 per cent a year.

The principle governing the determination of all rates of depreciation is that the total amount claimed by the taxpayer as depreciation during the life of the article, plus the salvage of the article at the end of its useful life, shall not be greater than its purchase price or, if purchased before March, 1913, either its fair market value as of that date or its original cost, whichever may be greater. The physician must in good faith use his best judgment and claim only such allowance for depreciation as the facts justify. The estimate of useful life, on which the rate of depreciation is based, should be carefully considered in his individual case.

Medical Dues.—Dues paid to societies of a strictly professional character are deductible. Dues paid to social organizations, even though their membership is limited to physicians, are personal expenses and not deductible.

Postgraduate Study.—The Commissioner of Internal Revenue holds that the expense of postgraduate study is not deductible.

Traveling Expenses.—Traveling expenses, including amounts paid for transportation, meals and lodging, necessarily incurred in professional visits to patients and in attending medical meetings for a professional purpose, are deductible.

Automobiles.—Payment for an automobile is a payment for permanent equipment and is not deductible. The cost of operation and repair, and loss through depreciation, are deductible. The cost of operation and repair includes the cost of gasoline, oil, tires, insurance, repairs, garage rental (when the garage is not owned by the physician), chauffeurs' wages, and the like.

Deductible loss through depreciation of an automobile is the actual diminution in value resulting from obsolescence and use and from accidental injury against which the physician is not insured. If depreciation is computed on the basis of the average loss during a series of years, the series must extend over the entire estimated life of the car, not merely over the period in which the car is possessed by the present taxpayer.

If an automobile is used for professional and also for personal purposes—as when used by the physician partly for recreation, or so used by his family—only so much of the expense as arises out of the use for professional purposes may be deducted. A physician doing an exclusive office practice and using his car merely to go to and from his office cannot deduct depreciation or operating expenses; he is regarded as using his car for his personal convenience and not as a means of gaining a livelihood. What has been said in respect to automobiles applies with equal force to horses and vehicles and the equipment incident to their use.

Miscellaneous

Contributions to Charitable Organizations.—For detailed information with respect to the deductibility of charitable contributions generally, physicians should consult the official return blank or obtain information from the collectors of internal revenue or from other reliable sources. A physician may not, however, deduct as a charitable contribution the value of services rendered an organization operated for charitable purposes.

Bad Debts.—Physicians who make their returns on a cash receipts and disbursements basis, as most physicians do, cannot claim deductions for bad debts.

Taxes.—Taxes generally, either federal or state, are deductible by the person on whom they are imposed by

law. Both real and personal property taxes are deductible; but so-called taxes, more properly assessments, paid for local benefits, such as street, sidewalk, and other like improvements, imposed because of and measured by some benefit inuring directly to the property against which the assessment is levied, do not constitute an allowable deduction from gross income. Physicians may deduct State gasoline taxes and State sales taxes. In some States sales taxes are imposed on the seller, but, if they are passed on to the buyer, the latter may deduct them.

State income and use taxes are deductible; Federal income taxes are not. Among the Federal taxes that a physician may deduct are those on admissions, dues, initiation fees, safety deposit boxes, tax on telegraph, telephone, cable and radio messages, and the Federal use tax on automobiles. State automobile license fees are deductible. If a State or local fee is imposed for regulatory purposes, and not to raise revenue, the fee may not ordinarily be deducted as a tax. If such fees, however, are classifiable as a business expense, they are deductible as such. Annual registration fees imposed on physicians probably come within the category of regulatory fees and should be deducted as a business expense rather than as taxes. Local and State occupational taxes imposed on physicians are deductible either as taxes or as a business expense, depending on the purpose for which the tax is imposed.

The excise taxes imposed on employers by section 804, title VIII, and section 901, title IX, of the Social Security Act, commonly referred to as old age and unemployment benefit taxes are deductible annually by employers in computing net income for Federal income tax purposes. If the taxpayer's return is made on a cash basis, as are the returns of practically all physicians, the taxes are deductible for the year in which they are actually paid. If the return is made on an accrual basis, the taxes are deductible for the year in which they accrue, irrespective of when they are actually paid. Employees, including physicians whose employment brings them within that category, may not deduct the tax imposed on them by section 801, title VIII, of the Social Security Act, generally referred to as the old age benefits tax. If, however, the employer assumes payment of the employee's tax and does not withhold the amount of the tax from the employee's wages, the amount of the tax so assumed may be deducted by the employer, not as a tax but as an ordinary business expense.

Medical Expense.—A taxpayer may deduct amounts expended for medical, dental and hospital care, not compensated for by insurance or otherwise, including amounts paid for accident and health insurance, according to a prescribed formula. Deductions will be permitted to the extent that such expenses exceed 5 per cent of the net income of the taxpayer but not in excess of $2 500 in case of the head of a family, or $1,250 in case of other individual taxpayers.

Equipment Necessitated by Military Service.—The cost of equipment of an Army officer to the extent only that it is especially required for his profession and does not merely take the place of articles required in civilian life is deductible. The cost of a uniform is considered a personal expense and hence not deductible.

Laboratory Expenses.—The deductibility of the expenses of establishing and maintaining laboratories is determined by the same principles that determine the deductibility of corresponding professional expenses. Laboratory rental and the expenses of laboratory equipment and supplies and of laboratory assistants are deductible when under corresponding circumstances they would be deductible if they related to a physician's office.

Losses by Fire or Other Causes.—Loss of and damage to a physician's equipment by fire, theft or other cause, not compensated by insurance or otherwise recoverable, may be computed as a business expense and is deductible, provided evidence of such loss or damage can be produced. Such loss or damage is deductible, however, only to the extent to which it has not been made good by repair and the cost of repair claimed as a deduction.

Insurance Premiums.—Premiums paid for insurance against professional losses are deductible. This includes insurance against damages for alleged malpractice, against liability for injuries by a physician's automobile while in use for professional purposes, and against loss from theft of professional equipment and damage to or loss of professional equipment by fire or otherwise. Under professional equipment is to be included any automobile belonging to the physician and used for strictly professional purposes.

Expense in Defending Malpractice Suits.—Expense incurred in the defense of a suit for malpractice is deductible as a business expense.

Sale of Spectacles.—Oculists who furnish spectacles, etc., may charge as income money received from such sales and deduct as an expense the cost of the article sold. Entries on the physician's account books should in such cases show charges for services separate and apart from charges for spectacles, etc.

Nontrade or Nonbusiness Expenses

A new provision in the Revenue Act of 1942, permits, in the case of an individual, the deduction of all the ordinary, necessary expenses paid or incurred during the taxable year for the production or collection of income, or for the management, conservation or maintenance of property held for the production of income. While the phraseology of this provision is very broad, the Commissioner of Internal Revenue has by regulation ruled that the following expenses, among others, are not deductible under it: Commuters' expenses; expenses of taking special courses of training; expenses in seeking employment or in placing one's self in a position to begin rendering personal services for compensation; bar examination fees and other expenses incurred in securing admission to the bar, and corresponding fees and expenses incurred by physicians, dentists, accountants and other taxpayers for securing the right to practice their respective professions.

COUNTY SOCIETIES†

CHANGES IN MEMBERSHIP

New Members (15)

Alameda County (2)

John A. Blosser, *Oakland*
H. Stewart Kimball, *Oakland*

San Diego County (4)

Laurl W. Moffitt, *San Diego*
Robert J. Prentiss, *San Diego*
Kathleen A. Riffle, *San Diego*
Ira H. Wilson, *Glasgow, Montana*

San Francisco County (8)

J. Prentiss Burtis, *San Francisco*
Thomas Philip Burton, *San Francisco*
John Sampson Chase, *San Francisco*
Richard Henry Creel, *San Francisco*

† For roster of officers of component county medical societies, see page 4 in front advertising section.

Gerald M. Feigen, *San Francisco*
Percy A. Millar, *San Francisco*
Meyer L. Mizel, *San Francisco*
Arthur D. Prentice, *San Francisco*

Santa Cruz County (1)

David Maeth, *Santa Cruz*

Transfers (1)

James G. Terry, from San Francisco County to Alameda County

In Memoriam

Beard, Edwin Abraham. Died at Inglewood, January 4, 1943, age 72. Graduate of the College of Physicians and Surgeons, Keokuk, Iowa, 1898. Licensed in California in 1924. Doctor Beard was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

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Collins, Asa Weston. Died at Redwood City, January 19, 1943, age 67. Graduate of Cooper Medical College, San Francisco, 1903. Licensed in California in 1903. Doctor Collins was a retired member of the San Francisco County Medical Society, and the California Medical Association.

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Detling, Frank Edward. Died at Los Angeles, December 25, 1942, age 67. Graduate of Northwestern University Medical School, Chicago, 1901. Licensed in California in 1901. Doctor Detling was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

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Dillon, Joseph, Jr., Lieutenant (s.g.) Died at sea, December 6, 1942, age 37. Graduate of Columbia University College of Physicians and Surgeons, New York City, 1932. Licensed in California in 1937. Doctor Dillon was a member of the Sacramento Society for Medical Improvement, and the California Medical Association.

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Hendricks, Francis Royal. Died at Ventura, December 27, 1942, age 45. Graduate of Jefferson Medical College of Philadelphia, Pennsylvania, 1924. Licensed in California in 1925. Doctor Hendricks was a member of the Ventura County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

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Kruse, Fred Herman. Died at San Francisco, January 14, 1943, age 64. Graduate of the University of California Medical School, 1915. Licensed in California in 1915. Doctor Kruse was a member of the San Francisco County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

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Noland, Clyde Amandee. Died at Long Beach, October 24, 1942, age 68. Graduate of the State University of Iowa College of Medicine, Iowa City, 1905. Licensed in California in 1929. Doctor Noland was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

Owen, Carl Shuey. Died at National City, October 18, 1942, age 65. Graduate of Northwestern University Medical School, Chicago, 1904. Licensed in California in 1906. Doctor Owen was a member of the San Diego County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

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Quinan, Clarence. Died at Los Gatos, December 8, 1942, age 73. Graduate of Washington University School of Medicine, St. Louis, Missouri, 1897. Licensed in California in 1897. Doctor Quinan was a member of the Placer-Nevada-Sierra County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

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Rosanoff, Aaron Joshua. Died at Beverly Hills, January 7, 1943, age 64. Graduate of Cornell University Medical College, New York, 1900. Licensed in California in 1922. Doctor Rosanoff was a member of the Sacramento Society for Medical Improvement, the California Medical Association, and a Fellow of the American Medical Association.

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Shattinger, Charles. Died at Los Altos, December 13, 1942, age 77. Graduate of Washington University School of Medicine, St. Louis, Missouri, 1886. Licensed in California in 1918. Doctor Shattinger was a retired member of the Santa Clara County Medical Society, and the California Medical Association.

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Shattuck, Hobart Parker. Died at Los Angeles, December 10, 1942, age 65. Graduate of Cornell University Medical College, New York, 1903. Licensed in California in 1911. Doctor Shattuck was a member of the Los Angeles County Medical Association, the California Medical Association, and a Fellow of the American Medical Association.

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Stolle, Francis. Died at Dixon, December 19, 1942, age 54. Graduate of Stanford University School of Medicine, 1913. Licensed in California in 1913. Doctor Stolle was a member of the Solano County Medical Society, the California Medical Association, and a Fellow of the American Medical Association.

THE WOMAN'S AUXILIARY TO THE CALIFORNIA MEDICAL ASSOCIATION†

MRS. F. G. LINDEMULDER.....President
MRS. RENE VAN DE CARR.....Chairman on Publicity
MRS. ROSSNER GRAHAM..Asst. Chairman on Publicity

News Items

On Tuesday, January 12, Mrs. F. G. Lindemulder, State President, met with members, councilors and officers from the 6th and 7th Districts, at a round-table discussion and luncheon, held in the Women's Athletic Club

† Prior to the tenth of each month, reports of county chairmen on publicity should be sent to Mrs. Rene Van de Carr, 51 Prospect Road, Piedmont. For roster of state and county officers, see page 6, in front advertising section.

in San Francisco.

In speaking on the rôle of the Medical Auxiliary in war activities, Mrs. Edmond Morrissey, of San Francisco, laid particular emphasis on the Blood Bank. A dramatic interpretation of the History of the Red Cross was given by Mrs. Mary Waterstreet.

Alameda County's January meeting with luncheon was held at the Claremont Country Club. Dr. Robert J. Kerner, Sather Professor of Modern European History, spoke to the group. His topic was "On the Threshold of Victory." The program included a group of songs by Klara Kiefer, accompanied by Helen Berryhill Heilman. Hostesses for the day were Mrs. Roy Nelson and Mrs. Robert Glen.

The first Board meeting of the year was held by the San Francisco Auxiliary on Wednesday, January 5, at the Medical Society's headquarters on Washington Street. A detailed report on the recent Hospitality Day was given. Blood Bank Chairmen, from the various branches conducted by volunteers from the Auxiliary, gave reports.

Miss L. M. Messer, Superintendent of the Kindergarten Division from the State Teachers College, will speak on Nursery Schools at the regular meeting on January 19.

The November meeting of the Woman's Auxiliary to the Sacramento Medical Society was held at the home of Mrs. W. J. Van Den Berg.

During the evening winners in the Annual Public Speaking Contest were presented to the members. This contest is sponsored each year by the Auxiliary, and students from the two high schools of the city and the Junior College are eligible. Subjects of the winners were: "The Possible Dangers of Spreading Disease by Aeroplane," "What Shall We Do to Develop Physical Fitness in Our Youth?" "The Effect of Alcohol Upon Our Armed Forces," and the "Dangers of Self-Medication."

A social meeting was held at the home of Dr. and Mrs. Frederick Scatena on Tuesday evening, December 15, when a program of Christmas music and Christmas carols was enjoyed by the group.

CALIFORNIA PHYSICIANS' SERVICE†

Beneficiary Membership

Commercial (November)	35,000
Rural Health Program	3,500
War Housing Projects (January 1st) (Approximate)	32,000
Vallejo	10,000
Marin	5,000
Los Angeles	7,000
San Diego	10,000

There have been articles in various magazines and newspapers regarding the C.P.S. plan for medical care for war workers living in Federal Housing Projects. Some of these reports have been accurate, while others contained implications which have caused comment by physicians, laymen, government officials, etc. For the purpose of clarification, it is well to restate, first, C.P.S.'s reasons for entering into the war housing projects, and second, the method by which it operates.

The war housing projects have been constructed in areas surrounding large war industrial plants. These have centered around San Diego, Los Angeles and the San Francisco Bay Area. Large influxes of population have occurred to meet the manpower need of these rapidly growing industries. Many communities have doubled or trebled in population, and during the same period the need of the armed services has reduced the number of doctors available to serve even the original population. Therefore, it is not a question of the ability of the worker to pay for his medical bills, but a question of bringing medical service to him.

In order to do this, it was necessary to increase the doctor power in these areas. Very early it was shown that this could not be done by the voluntary movement of physicians from other locations. Doctors who had active practices in other areas could not afford to move to a new community, where their income would be very uncertain, and even if they were willing to relocate, in most instances they could not become effective immediately. It became evident, then, that there should be available capital to assist physicians to move without causing them financial hardships, and also any such proposal should provide means for making these doctors' skills effective immediately upon relocation. The C.P.S. plan was conceived on the basis of adequately financing this movement, and was only made possible by a working arrangement between the Federal Public Housing Authority and California Physicians' Service. This is where the terms "Built-in medical care" and "Medical care dues with the rent" originated.

Actually, what is transpiring is that the Federal Public Housing Authority acts as the agent of California Physicians' Service in collecting the dues. These dues are set separate from the rent, but are collected at the time a tenant pays his rent. This has simplified the procedure of billing and collecting, which constitutes a large part of overhead cost in other types of prepaid medical care plans.

Also, with the sponsorship and coöperation of the Housing Authority, a larger degree of participation of tenants is acquired, in many instances reaching close to 100 per cent of all of the residents. This puts C.P.S. in a more secure financial position, and will make it possible for us to pay physicians who render extended service on a basis of a higher unit value.

The whole subject of C.P.S.'s entering into war housing projects was carefully discussed and cleared with the Council of the California Medical Association. In each area where these programs are operating, the proposal was again discussed with the local physicians immediately concerned.

Through this C.P.S. plan, physicians who desire to relocate are adding to the community facilities by directly contributing to an essential war effort. The Housing Authority provides the quarters for these health centers in which these C.P.S. physicians may render their services. The physicians in the health center treat the general run of illnesses which occur, and refer the more complicated cases, such as surgery, consultations or cases requiring hospitalization, to professional members of California Physicians' Service who are carrying on private practice in the adjacent communities. In this way, the minor illnesses are handled on the project itself, thus relieving the worker and his family of the inconvenience of travel, and cutting down the loss of working time of

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† Address: California Physicians' Service, 153 Kearny Street, San Francisco. Telephone EXbrook 0161. A. E. Larsen, M. D., Secretary.

Copy for the California Physicians' Service department in the OFFICIAL JOURNAL is submitted by that organization. For roster of nonprofit hospitalization associates in California, see in front advertising section on page 3, bottom left-hand column.

the worker himself.

Because the minor illnesses are taken care of in the medical center, the overburdened physician in private practice in the community is enabled to serve the normal population more adequately, and has more time available to take care of the severe illnesses which are referred to him from the medical center. This certainly would not be true if the entire responsibility for care of this new population were thrust upon him, with its attendant load of home calls and night calls. Not only is the conservation of the physician's time evident, but the public health aspects of the entire problem are considerably improved. It is perfectly evident that when ten to fifteen thousand people, gathered from all sections of the country, become residents in a compact housing unit, the danger of epidemics is extreme. Because of the availability of the physicians on the project, and the close working relationship of the medical service with the housing authority, these situations can be coped with immediately. Also, by the very availability of physicians and visiting nurses, the amount of disease caught in its early stages (thus preventing more serious complications from developing) contributes to cutting down the morbidity rate of illnesses which could result in loss of manpower.

These are some of the fundamental reasons for C.P.S. entering into this field of medical care, and for the method which has had to be adapted to the conditions.

Farmers' Health Group Will Be Organized Here

Fresno, Kings Ranchers Will Convene to Discuss New Medical Program

Organization of the State Center Farmers' Health Association, to provide a low cost medical program for farm families of Fresno and Kings Counties, will be undertaken at a meeting in the Hotel Fresno, Saturday, January 30th.

The organizing committee is headed by O. M. Davis, master of the Fresno Pomona Grange.

Worked out with the California Physicians' Service, representing 5,300 doctors in the State, the plan is designed to benefit farm families whose net income is $2,000 or less and whose income is at least 50 per cent derived from agriculture. Such families will be eligible for the health insurance at an annual cost ranging from $20 for single adults to a maximum of $60 for a family.

Already In Effect

The plan is being inaugurated here with the assistance of the Federal Security Administration. It is already in effect in many parts of the State.

Edgar H. File, district FSA rural rehabilitation supervisor, said the plan covers not only medical care but hospitalization as well. Persons subscribing to the service may select any physician belonging to the C.P.S., which includes a majority of the doctors in California.

Deadline Is Set

"All prospective members are asked to attend the organization meeting," File said. "The C.P.S. has set February 15th as the deadline for membership in the organization after which no new members will be accepted until February, 1944.

"A president and a board of directors will be elected at the meeting."

Meeting Begins at 8 P.M.

The meeting is scheduled for 8 P.M. Davis will preside.

Persons desiring information may contact Davis, through the grange; C. W. Simmons of the Fresno Production Credit Association, or File in Room 302, United States Courthouse and Postoffice, Fresno.—Fresno *Bee*, January 19.

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Vocational Rehabilitation.— S. 2714, introduced by Senator LaFollette of Wisconsin, August 13, and submitted to the Senate Committee on Education and Labor. A bill to provide for the vocational rehabilitation of individuals suffering from war-connected or other disabilities. A companion bill, H. R. 7484, introduced by Representative Barden, North Carolina, August 13, was submitted in the House Committee on Education.

Comment.—This bill is divided into three titles. Title I proposes to enact a War Disabled Vocational Rehabilitation Act. Title II proposes to amend and reënact an act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment, approved June 2, 1920, as amended, and to designate that act as the Coöperative Rehabilitation Training Act. Title III proposes the enactment of a Blind Vocational Rehabilitation Act. . . .