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The Drug Fetish: Capitalism, the Mass Press, and the Body of the Worker in Austrian Socialism, 1888–1920

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Just as myths already entail enlightenment, with every step enlightenment entangles itself more deeply with mythology. (Max Horkheimer and Theodor Adorno, *Dialectic of Enlightenment*, 1944)

The archbishop of Santiago in Chile submitted the following inquiry to the congregation of the Inquisition in Rome: “In case of illness, is a Catholic permitted to seek relief by consuming paper images of the Virgin Mary macerated in water or rolled up in the form of pills?” The very “eminent” fathers (*patres eminentissimi*) of the Holy Inquisition responded in the affirmative, provided, they added, that no superstition be involved in this act of devotion! (“Klerikale Heilkunde,” *Der Arbeiterschutz*, 1905)

Today’s pharmaceutical industry is in many respects emblematic of neoliberal capitalism. Its rapid growth in the last thirty years or so has relied on a far-reaching privatization of public goods, including the privatization and commercialization of medical science itself through a vastly expanded intellectual property regime. Although publicly committed to the principles of free trade, it enjoys unusually high profit margins owing in large part to government-protected monopolies, while taking systematic advantage of increasing global inequalities in its search for labor, markets, and test subjects. The industry’s growing investment in so-called lifestyle drugs—that is, in technologies that meet a desire for the limitless refashioning of the self, as opposed to providing cures for life-threatening illnesses—has also been read as symptomatic of a culture associating productivism and self-fulfillment. In consequence, the recent scholarship on pharmaceuticals has yielded some of the richest insights into the nature and transformations of the economy of goods, knowledge, and subjectivity in the contemporary era.¹

¹ Aspects of this argument are explored in Philip Mirowski, *Science-Mart: Privatizing American Science* (Cambridge, MA, 2011); Joseph Dumit, *Drugs for Life: How Pharmaceutical Companies Define Our Health* (Durham, NC, 2012); Kaushik Sunder Rajan, *Biocapital: The Constitution of Postgenomic Life* (Durham, NC, 2006); Adriana Petryna,

Yet, as this study of late Habsburg Austria demonstrates, ours is not the first era in which drugs have provided a magnifying lens revealing the transformations of capitalism. In most countries of Europe, the proprietary drug industry emerged in the last third of the nineteenth century, its rise coinciding with that of mass-circulated newspapers in which ready-made drugs sold under brand names were advertised more widely than any other commodity. For the present study on Austria, 1888 represents a convenient starting point. That year saw the creation of compulsory sickness insurance (*Krankenversicherung*) for workers and, a few months later, the creation of the Social Democratic Party in the western half of the Dual Monarchy. Between then and the war, Social Democrats became deeply involved in the administration of workers' insurance, and hence in the search for arrangements other than the free market to guarantee access to medical goods and services. In charge of the welfare of workers and subjected to the imperatives of cost control, Austrian socialists were spurred to elucidate the mysteries of the pharmaceutical economy, making Habsburg Austria the unlikely site of a wide-ranging critique of pharmacy that prefigured many of the themes since rediscovered by analysts of modern medicine.

Drugs struck Austrian socialists as commodities at once unusual and exemplary. They were unusual for the sheer scale of their marketing. The inescapable uncertainty that surrounded drugs' actual effects on the body—or use value—allowed contradictory claims to proliferate about them in the public as well as scientific spheres. Drug manufacturers never manufactured just drugs but always sprawling discourses about drugs as well. As a result, the prices—or exchange value—of drugs bore only the most tenuous relation to the actual costs of their material production. Drug prices, it seemed, mirrored irrational beliefs in the power of substances rather than any objective property of their chemistry or economy. At the same time, these features singled out drugs as commodities that exhibited in uniquely transparent ways the shifting logics of the commodity form in an economy increasingly dominated by media of mass communication. In their attempts to gain control over the fickle demand for drugs, to sort manufactured desires from legitimate needs, and to restore some semblance of proportion between drugs' use and exchange values, the socialist administrators of workers' insurance in Austria were among the very first to reflect upon the shift toward a new form of capitalism: one governed by the logic of mass consumption, shaped by what the Frankfurt School called culture industries, and managed by an expanding welfare state. In exploring how drugs were handled and covered within early sickness insurance, therefore, I seek to investigate how this shift was apprehended in its earliest stages, years before this new regime of capital accumulation in which so-called super-

When Experiments Travel: Clinical Trials and the Global Search for Human Subjects (Princeton, NJ, 2009); and Alain Ehrenberg, *The Weariness of the Self: Diagnosing the History of Depression in the Contemporary Age* (Montreal, 2010).

structures seemed to have acquired a life of their own became the central preoccupation of Marxist thought, beginning with Austro-Marxism in the aftermath of World War I.

The involvement of Social Democrats in government during the Republican period, first at the national and then at the municipal level, shaped the historiography on Austrian Marxism. Vienna in particular has offered historians a rare case study of a large metropolis ruled throughout the 1920s by dedicated and creative Marxists outside the Soviet Union. As a result, an extensive body of research exists on the collective social institutions Austrian socialists designed and built in the interwar period.² My goal in turning instead to the history of a mass-consumed commodity in the late Habsburg era is to highlight how Austrian socialists analyzed the kind of economy against which their collectivist projects were conceived and carried out. This also requires a shift in method, for the authors of the critique explored here were not the famed Austro-Marxists who led the party in the aftermath of the war. Some were workers, others lawyers or physicians; all labored in relative anonymity. By and large their ideas about drugs were not expressed in the form of a fully fledged theory but remained folded into in the day-to-day struggle of keeping insurance funds afloat. As a result, they have to be recovered as much through a social history of workers' insurance as through the classical methods of intellectual history. In charting some of the practical ground in which Austro-Marxism and its noted refusal to reduce the state to an instrument for the exploitation of the proletariat took root, I hope to suggest ways to grasp the concrete connections between the history of things and the history of ideas.

To this end, the following study proceeds in five steps. The first section demonstrates how the mass press transformed proprietary drugs into one of the first genuine commodities of mass consumption in Europe and links the critical reception of drug advertising in Austria to certain peculiarities of the Viennese press at the turn of the twentieth century. The second section describes the political context in which sickness insurance became compulsory for Austrian workers and the paradoxical position of Social Democrats within the new system of social insurance. The third and fourth sections are devoted to what the socialist administrators of insurance funds called "pharmaceutical superstition," the peculiar form that commodity fetishism assumed in the case of drugs, and the strategies they pursued to dispel misguided beliefs in the magic powers of drugs. Fi-

² Overviews include Josef Weidenholzer and Karl Stadler, *Auf dem Weg zum "Neuen Menschen": Bildungs- und Kulturarbeit der österreichischen Sozialdemokratie in der Ersten Republik* (Vienna, 1981); Anson Rabinbach, ed., *The Austrian Socialist Experiment: Social Democracy and Austromarxism, 1918–1934* (Boulder, CO, 1985); and Helmut Gruber, *Red Vienna: Experiment in Working-Class Culture, 1919–1934* (New York, 1991).

nally, I discuss the special place of pharmacy within socialists' nationalization projects during the Austrian Revolution of 1919 and 1920.

DRUGS AND MASS MEDIA IN FIN DE SIÈCLE EUROPE

The shift from craft to industry in the production of drugs in late nineteenth-century Europe was inextricably linked to contemporary transformations in the production of media. Advertisements for various proprietary remedies had adorned the back pages of news directories since the very beginnings of the periodical press in early modern Europe.³ Until well into the nineteenth century, however, newspapers remained luxury items circulating mainly among privileged urban elites. The authoritarian regimes of post-1848 Europe secured a contained and conciliating press by imposing heavy financial burdens on newspaper publishers, including deposits to be paid to the government and taxes on newspapers and advertisements, as well as hefty prison terms for defiant owners or editors. Such measures kept the price of newspapers artificially high long after the adoption of the rotary press and the expansion of telegraph and railroad networks began to bring down the costs of collecting, transmitting, and distributing the news. The restricted circulation of newspapers thus hampered the development of an industry for ready-made medicines that relied on the written press for their marketing. As successful as some of these became, proprietary drugs remained confined throughout the nineteenth century to the margins of a trade dominated by the artisanal compounding of drugs in pharmacies. As Hans Heger, editor of Austria's leading pharmacy journal, explained in 1898, this held true especially in the Habsburg lands where the mass production of prepackaged proprietary remedies never developed to the same extent as it did in countries farther to the west.⁴ How, then, did Austria become the privileged site of a critique of the economy of drugs in the late nineteenth century?

Seen from Austria, the birthplace of both the proprietary drug and the modern newspaper industries was France.⁵ Polydore Millaud's *Petit Journal*, launched

³ Colin Jones, "The Great Chain of Buying: Medical Advertisement, the Bourgeois Public Sphere, and the Origins of the French Revolution," *American Historical Review* 101, no. 1 (1996): 13–40. Such advertisements were present also in the very first news directories to appear in Vienna; see Walter Uibelacker, "Die Entwicklung des Anzeigewesens in der Wiener Presse 1703–1848," *Jahrbuch des Vereines für Geschichte der Stadt Wien* 2 (1940): 5–77, 11–13.

⁴ Hans Heger, "Die Pharmaceutisch-Chemische Industrie," in *Die Gross-Industrie Österreichs. Festgabe zum glorreichen fünfzigjährigen Regierung-Jubiläum seiner Majestät des Kaisers Franz Joseph I., Bd. 5* (Vienna, 1898), 452–53.

⁵ According to a 1904 article on the proprietary drug business published in Hans Heger's journal, the *Pharmaceutische Post*, "the French had started with it fifty years ago; it spread from there to England, and in the last ten years has been gaining ground in Germany and Austria." "Die Rezeptur- und Handverkaufs-Spezialitäten und die moderne Pharmazie,"

in Paris in 1863, was widely viewed as continental Europe's first genuine penny paper. An issue of the *Petit Journal* consisted of a single folded newspaper sheet. It was thus half the size of other newspapers and a mere four pages in length. Copies cost a single sou, the smallest of French coins. Articles were shorter and written in a style infinitely more congenial to less-educated readers than was the case in the bourgeois political press. Just prior to its launch, the combined circulation of all Parisian dailies hardly exceeded 200,000 copies. During the eventful days of the war with Prussia ten years later, the circulation of the *Petit Journal* alone exceeded half a million copies. Similar titles followed, in particular after the law of July 29, 1881, gave France one of the world's most liberal press regimes. In 1900, four titles accounted for three quarters of the circulation of Paris's daily press. By that date, two of these, the *Petit Journal* and the *Petit Parisien*, had circulations approximating one million. *Le Journal* reached daily sales of 800,000 by 1910 and *Le Matin* a million by 1914. On the eve of the war, there was a total of eighty Parisian dailies for a combined circulation of five and a half million—a near thirtyfold increase from half a century earlier.⁶

These late nineteenth-century mutations of what Benedict Anderson called print capitalism constituted the key factor in the rise of the proprietary drug industry. In 1900, no less than one-third of all advertisements inserted in the *Petit Journal* and its competitors were for drugs.⁷ Many of the items promoted were so-called secret remedies, drugs of undisclosed composition, some of which contained potent narcotics such as morphine, cocaine, or chloral hydrate, while others, also under the cover of secrecy, likely contained no active ingredient whatsoever. Most, however, were simply the same sort of remedies as were found in national formularies and on the prescriptions of physicians but produced on a large scale by enterprising pharmacists who sought to have them sold in other pharmacies than their own. By the century's end, these drugs already claimed about one-third of drug sales in France, rapidly displacing custom-made medicines compounded in the back rooms of pharmacies.⁸ Beginning in the 1880s, efforts were made, mainly at the behest of the medical profession, to bring the thousands of proprietary drugs on the market under some form of legal supervision. None succeeded. As the senator Jean Morel said of the old pharmacy law of 1803, which forbade the trade in secret remedies: "If perchance the gov-

Pharmaceutische Post (1904), 255; and for an earlier article pointing to France: "Arzt, Apotheker und Geheimmittel," *Pharmaceutische Post* (1881), 254–55.

⁶ On the circulation numbers cited here, see Marc Martin, *Médias et journalistes de la République* (Paris, 1997); and Pierre Albert, *La presse française* (Paris, 1990).

⁷ On these estimates, Antoine Lentacker, "Signs and Substances: Making Media and Drugs in Modern Europe" (PhD diss., Yale University, 2016).

⁸ Ministère du commerce, de l'industrie, des postes et des télégraphes, *Exposition universelle internationale de 1900: 1^{er} Congrès international de l'industrie et du commerce des spécialités pharmaceutiques* (Paris, 1900), 44, 62–64.

ernment wanted to enforce it rigorously, strictly, and uncompromisingly, it would within a day stir up in public opinion, in the press, and in parliament a storm of a force no cabinet would be able to weather. The very existence of the Republic would be jeopardized.”⁹ While historians of France have paid close attention to the considerable influence of newspapers on the formation of a new kind of mass politics, its less-studied but equally obvious influence on the medical market bears witness to the power that the commercial mass press had acquired over the public’s habits and beliefs.

The Parisian press was imitated across the continent. In Austria, the Constitution of 1867 officially abolished censorship. The creation of the *Neues Wiener Tagblatt* in 1867, the *Oesterreichische Volkszeitung* in 1888, and the *Neues Wiener Journal* in 1893 all represented attempts to reach beyond the traditional readership of newspapers. When the *Kaution* (deposit) was suppressed in 1894, the combined circulation of Viennese dailies totaled about 400,000. The first true penny paper in Vienna, the *Illustrierte Kronenzeitung*, was launched on January 1, 1900, the day after the tax stamp on newspapers was repealed. It cost one krone for a monthly subscription, a price comparable to that of Parisian popular dailies. The paper employed a gifted draftsman who illustrated the news for those who lacked the desire or skill to read. It quickly won a loyal following among employees and workers—outselling within months of its launch the more austere and explicitly political *Arbeiterzeitung*, the organ of the Austrian socialist party. By 1905 the *Kronenzeitung* had become Vienna’s most widely read newspaper, with a circulation of 95,000 on weekdays and well over 100,000 for weekend editions; that year, four other titles (the *Neues Wiener Tagblatt*, the *Neues Wiener Journal*, the *Oesterreichische Volkszeitung*, and the *Neuigkeits-Weltblatt*) had average circulations in excess of 65,000. The *Neue Freie Presse*, Vienna’s bourgeois liberal newspaper and long the city’s leading daily publication, had fallen behind at 55,000 copies. Following the spread of popular dailies, the aggregate circulation of Vienna’s daily press reached 700,000 in 1905 and exceeded 1.1 million in the first half of 1914.¹⁰

Several factors played a role in the comparatively low circulation of Viennese newspapers. One, of course, was linguistic pluralism. In the Austrian half of the

⁹ Excerpt from a speech at the national banquet of the association of French druggists in 1912, cited in Émile Vincent, “Annexe n° 5664, à la 2^e séance du 6 février 1919,” in *Documents Parlementaires, Chambre des députés* (Paris, 1919), 636. Accurate figures on the number of proprietary drugs in circulation are elusive. Victor Galippe, the member of France’s National Academy of Medicine with the best knowledge of the country’s drug industry, estimated that there were as many as 40,000 different proprietary remedies on the French market in 1914: *Bulletin de l’Académie de Médecine* 78 (1917): 560.

¹⁰ Gabriele Melischek and Josef Seethaler, “Auflagenzahlen der Wiener Tageszeitungen 1895–1933 in quellenkritischer Bearbeitung,” in *Kommission für historische Pressedokumentation, Österreichische Akademie der Wissenschaften, Arbeitsbericht Nr. 1* (Vienna, 2001), 6–9.

Dual Monarchy, German was the dominant language numerically and culturally, but it coexisted with other languages that were taught, written, and printed on a scale and in ways that France's regional languages, for instance, were not. The populations Viennese German-language titles might have hoped to reach—mainly those of today's Austria, parts of the Czech lands, and a diaspora of German speakers in the Empire's cities—hardly numbered 10 million in 1900; that is, they had a potential market just one quarter the size of the market for Parisian newspapers. Moreover, the inhibiting influence of Habsburg rule on the press continued to be felt after 1900. The *Kolportageverbot*, not lifted until 1919, prohibited the selling of newspapers on the street. Newspapers remained overwhelmingly purchased by subscription and distributed by mail, which limited their circulation among low-income groups. This resulted in the enduring practice of “chain reading” (*Kettenlesen*), notoriously in coffee houses but also in hotels, pensions, sanatoriums, and various associations, parties, or unions, where free copies of the day's newspapers were usually made available to patrons or members. In certain apartment buildings, they were passed from neighbor to neighbor.¹¹ Thus raw circulation numbers misrepresent the true reach of the Viennese press. In Austria, too, in the few decades that separated the rise of the commercial mass press in the late nineteenth century from that of the radio in the interwar years, newspapers enjoyed an undisputed hegemony over the means of mass communication. Beyond its traditional functions of reporting the news and relaying political debate, the daily press of that period acquired a far-reaching influence over readers' consumption habits, dress and self-presentation, language, literary and artistic taste, and more broadly over the shapes and rhythms of thought, feeling, and existence.¹²

Still, limited circulation numbers affected the character of the Viennese press. In his 1912 study *The Economic Foundations of the Modern Press*, Max Garr explained that the wide circulation of Parisian dailies allowed them to “conduct their advertising business not extensively, but intensively.”¹³ Newspapers were short, generally four to eight pages, and so the few available advertising slots sold at high prices. Viennese titles, whose circulation was much lower, could not afford to charge advertisers the same fees as Parisian ones. To compensate, editors multiplied the number of advertisements—or, to use Garr's phrase, con-

¹¹ Stefan Zweig, *Die Welt von Gestern: Erinnerungen eines Europäers* (Stockholm, 1944), 58–59, gives an eloquent account of the passion of the Viennese for public newspaper reading before World War I.

¹² Gabriele Melischek and Josef Seethaler, “Presse und Modernisierung in der Habsburgermonarchie,” in *Die Habsburgermonarchie*, vol. VIII/2, ed. Helmut Rumpler and Peter Urbanitsch (Vienna, 2006), 1535–1714, surveys some of the ways in which the commercial mass press transformed late Habsburg society.

¹³ Max Garr, *Die wirtschaftlichen Grundlagen des modernen Zeitungswesens* (Vienna, 1912), 49.

ducted the business of advertising extensively. Around the turn of the twentieth century, Viennese newspapers often comprised sixteen to twenty pages of text, followed by advertising sections that sometimes surpassed the length of the editorial section. The first issue of the *Neues Wiener Tagblatt* to appear after the suppression of the tax stamp in 1900 ran twenty-four pages and contained seventy-seven commercial inserts in addition to dozens of classified ads. Garr estimated that fully two thirds of the revenue of the *Neues Wiener Tagblatt* depended on advertising. Owing to their financial vulnerability, Viennese papers were also more directly dependent on the support of moneyed interests. The considerable inputs of capital needed to launch a new title usually had to come in part from wealthy donors who retained a say over what did or did not get published.¹⁴ Even established newspapers received subsidies from banks, insurance firms, large public companies, or the government itself, in exchange for a conciliating editorial line as well as for various opportunities for open or disguised advertising.¹⁵ Of course, as the so-called Panama scandal revealed, such hidden ties between industry, politics, and journalism existed in places like France as well, but they were never as deeply built into the economy of the mass press as they were in Vienna. This may explain why, even though the Viennese press lagged in other respects behind that of western European capitals, it inspired in Karl Kraus's work arguably the most penetrating of the early critiques of the mass press.

The peculiarities of the Viennese press are in many ways reflected in the specifics of the history of drugs in Austria. On the one hand, drugs never had quite the same presence in Austrian dailies as in French ones. In the first decade of the twentieth century, about 10 percent of advertisements in the *Neues Wiener Tagblatt* and the *Kronenzeitung* promoted drugs—30 percent including other medical goods and services; in the *Neue Freie Presse*, the proportions were 5 percent for drugs alone and 20 percent for drugs and other medical goods and services. The somewhat lower proportion of advertisements dedicated to drugs, combined with the lower circulation of newspapers and the more limited impact of advertising conducted “extensively,” must account at least in part for the lesser development in Austria of an industry that elsewhere depended so obviously on mass marketing. On the other hand, drugs likely remained the most advertised of all commodities in the Austrian press as well. And since the Viennese press relied so heavily on advertising monies for its revenues, the drug industry was every bit

¹⁴ Because of this, the Viennese press was particularly secretive about its finances. Garr did not cite his sources or the title of the paper for which he gave estimates, but historians of the Viennese press have been led to believe that the *Neues Wiener Tagblatt* was indeed the paper whose finances were known to Garr. See Edith Walter, *Wiener Tageszeitungen: Österreichische Tageszeitungen der Jahrhundertwende* (Vienna, 1994), 135, 144–45.

¹⁵ Garr, *Wirtschaftliche Grundlagen*, 39; and Walter, *Österreichische Tageszeitungen*, 153–56.

as important to the economy of the mass press in Austria as it was in France (fig. 1).¹⁶

The fact that a majority of drug advertisements in the Austrian press were for drugs of foreign origin colored their reception. Pharmacists and physicians noted the growing demand for ready-made medicines beginning in the 1880s, usually employing the same metaphors comparing their popularity to a swelling wave, or a flood that could not be dammed because, as Dr. Florian Kratschmer remarked at the International Congress for Hygiene and Demography held in Vienna in 1887, it flowed with all the force of the modern mass press. "It cannot be denied," Kratschmer's report concluded, "that the secret remedy business has become an irresistible force overtaking the world."¹⁷ In parliament, Franz Roser, physician and left-wing deputy from Bohemia, took up the fight against drug manufacturers and their advertisements, which, he said, "cover no longer just the back pages of our newspapers, but also the walls of our houses."¹⁸ While the "secret remedy swindle" had reached its most frightening extent in France, he continued in a speech before the House in 1890, so too in Austria "hundreds of thousands of guilders wander each year from people's pockets into the coffers of crafty speculators."¹⁹ Meanwhile, rumors about the imminent introduction of stricter legislation on proprietary drugs compelled the press to take up the defense of one of its main sources of revenue. Citing the popularity of these drugs as evidence of their value, the *Neue Freie Presse*, for instance, threatened that "a total ban or even partial restrictions on well-established proprietary medicines would deny the public further use of them, something it would resent as intolerably overbearing." In Austria, too, the proprietary drug question was becoming a public cause.²⁰

¹⁶ These estimates are based on a systematic study of a random sample of twenty-four issues per title and per year in which an estimate is given. Based on these estimates about the proportion of drugs among advertised goods and services and the indications provided by Garr on the revenue structure of the *Neues Wiener Tagblatt*, 3–4 percent of that newspaper's revenues must have been obtained directly from drug manufacturers and just above 10 percent from drugs and other medical goods and services.

¹⁷ Dr. Florian Kratschmer, "Maßregeln gegen den Geheimmittelschwindel," in *VI. Internationaler Congress für Hygiene und Demographie zu Wien* (Vienna, 1887). For prior discussions of the proprietary drug trade similar in content and tone: Eduard Hackl, "Über das Geheimmittel-Specialitätenwesen," *Pharmaceutische Post* (1881), 390–92; "Arzt, Apotheker und Geheimmittel," *Pharmaceutische Post* (1881), 245–46; Dr. Robert Raudnitz, *Der Geheimmittelschwindel* (Prague, 1884); and Emil Richter, *Memorandum über den Schwindel mit Geheimmitteln in der zweiten Hälfte des 19ten Jahrhunderts* (Reichenberg, 1884).

¹⁸ Franz Roser, speech on the floor of the House, December 12, 1890, *Stenographische Protokolle, Abgeordnetenhaus X. Session* (1891), 15942–43.

¹⁹ *Ibid.*; and "Das österr. Parlament über die Curpfuscherei und den Verkauf von Geheimmitteln," *Pharmaceutische Post* (1885), 342.

²⁰ "Zur Arzneispecialitätenfrage," *Neue Freie Presse*, January 15, 1890, 5.

8. März 1906. Illustrierte Kronen-Zeitung. Nr. 2221. Seite 15.

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6 Apparat, 25 Meter 12, 11, 22, 40 Kr.
7 Apparat, 25 Meter 12, 11, 22, 40 Kr.
8 Apparat, 25 Meter 12, 11, 22, 40 Kr.
9 Apparat, 25 Meter 12, 11, 22, 40 Kr.
10 Apparat, 25 Meter 12, 11, 22, 40 Kr.

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nur echt mit der roten Überschrift „J. Pserhofer“.
Seit Kaiser Josefs Zeiten, also länger als 120 Jahre, als ältestes schmerzlos abführendes Hausmittel bekannt und von vielen Ärzten dringend empfohlen bei allen Folgen schlechter Verdauung und Verstopfung.
1 Schächtelchen mit 15 Pillen . . . 42 h
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Bei vorheriger Einzahlung des Geldbetrages kostet samt portofreier Zusendung
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2 Rollen . . . 4.70 5 Rollen . . . 10.50
3 Rollen . . . 6.80 10 Rollen . . . 18.50
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Javal kostet pro Flasche, für Kopfen- abdruck anrechenbar, 2.40 — und ist in Apotheken, Drogerien, Fein- druckereien und Galvanischen- Geschäften erhältlich.

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Muth und Energie
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ohne Kündigung
4 1/2 %

FIG. 1.—*Illustrierte Kronen-Zeitung*, March 8, 1908, 15. This is a typical page from the advertising section of the *Kronen-Zeitung*. Out of eight advertisements on this page, five were for drugs or other medical goods and services: Pserhofer Pills, advertised as a purgative promoting healthy digestion; a book entitled *Wie wird man gesund?* (How does one become healthy?), which offered advice on how to cure diseases of the kidneys, bladder, prostate, and other “lower abdomen” complaints, and which one could obtain free of charge by writing to a Vienna address; Javal hair lotion, for the prevention of baldness; an electrotherapeutic institute for the treatment of neurasthenia; and “Hilfe gegen Blutstockung” (a cure for sluggish blood circulation) with an address in Germany. Reproduced by permission of Österreichische Nationalbibliothek Vienna. 440.370-D.7.1906, 1, *Illustrierte Kronen-Zeitung* v. 8. März 1906, S. 15. Color version available online.

The weakness of Austria's domestic drug industry, the country's comparatively strict press laws, and, as will become clear, its early commitment to compulsory sickness insurance indeed prompted the adoption of measures to rein in the proprietary drug market. Beginning in the 1880s, the Ministry of the Interior banned a number of popular remedies. In 1894 Austria became one of the very first countries to require that all proprietary remedies be reviewed and approved by a state agency before being allowed onto the market.²¹ Little came of it, however, as products outlawed in Austria were smuggled by mail from Germany, Switzerland, or the Hungarian half of the Monarchy where similarly strict drug control measures were not adopted until later. Thanks to the customs union between both halves of the Empire, Austrians were able to source all sorts of goods from Hungary, including Hungarian drugs as well as Western European drugs funneled through Hungary in order to bypass Austrian customs.²² In 1909, therefore, Representative Budzynowskyj of Galicia still felt the need to bring the question to the House's attention. "When one casts a glance at the advertising section of any popular daily," he began, "there is almost nothing to be seen but publicity for illicit remedies." He then proceeded, as Roser had done in his time, with a long list of what seemed to him the most egregiously fraudulent or overpriced products, including purported miracle cures for such diseases as tuberculosis, epilepsy, diabetes, and syphilis, most of which could be ordered from abroad by mail. The persistence of a thriving market for forbidden drugs fifteen years after the first efforts to check their spread was a clear indication of the power of the desire for drugs that newspapers had awoken.²³

²¹ Österreichisches Staatsarchiv, Allgemeines Verwaltungsarchiv, Ministerium des Innern (hereafter AVA MdI) 4657 ex 1894. Other important texts on the regulation of proprietary drugs include an 1884 ordinance restricting the number of proprietary drugs that could be had over the counter: "Verordnung des Ministeriums des Innern vom 14. März 1884," Reichsgesetzblatt (hereafter RGBl.) 1884 #34; and an 1890 decree defining acceptable forms of drug advertising: Erlass vom 22. Juni 1890, AVA MdI 5954 ex 1890.

²² Letters of the regional governments of Silesia and Vienna to the Ministry of Interior, AVA MdI 1678/S ex 1911. See also "Maßnahmen zur Verhinderung der Verbreitung zweier neuer Schwindel-Geheimmittel," *Pharmaceutische Post* (1910), 394. Leopold Melichar, "Der Verkehr mit Arzneien und Arzneispezialitäten in Österreich," in *Österreichisches Verwaltungsarchiv*, vol. 3 (Vienna and Leipzig, 1906), 116, and P. Redtenbacher, "Die Gewerbliche Stellung des Apothekers," *Pharmaceutische Post* (1908), 1032–33, discuss the problem that the customs union posed to the enforcement of drug policy. For examples of drug shipments seized by the Austrian customs: "Einfuhr ausländischer Arzneiwaaren mittels Briefpost," *Pharmaceutische Post* (1897), 334, and AVA MdI 1342 ex 1900, 18798 ex 1902, and 5049 ex 1907.

²³ Wacław Budzynowskyj, "Dringlichkeitsantrag betreffend die Erlassung gesetzlicher Bestimmungen zum Schutze gegen den Handel mit betrügerischen Heilmitteln," *Beilagen zu den Stenographischen Protokollen des Abgeordnetenhauses XX. Session* 601 (Vienna, 1909): 1–11.

The irony of a situation in which authorities lamented their inability to track down the sale of prohibited drugs in sealed envelopes, even as they let the same forbidden products be advertised openly and with complete impunity, was not lost on Karl Kraus. However idiosyncratic, Kraus's work articulated the ambivalent feelings of a generation that no longer had to fight for the ideal of the free press but was confronted for the first time with its reality. In his view, the fact that the freedom of the press provided a pretext to turn a blind eye to the advertising of forbidden drugs revealed the "freedom of the press" to be a freedom to disseminate and deceive, a freedom that in fact meant little else than the unchecked power of a handful of large newspaper owners over political deciders. Kraus's attacks on the mass press in *Die Fackel* (The torch), his self-edited satirical newspaper, went far beyond the seemingly narrow question of drug advertising. Yet as he laid bare the process whereby newspapers became not only the first genuine commodity of mass consumption but also one with a unique power to commodify other domains of life, drugs represented more than just one example among others. "*Die Fackel*," he wrote in 1902, "has blamed the press a hundred times for undermining not only the mental sanity, but also, through the advertising of fraudulent cosmetics or pharmaceuticals, the physical health of the population." One year later, he also advised readers to "consider parsing newspapers backwards, so that, having acquainted themselves with the content of their advertising section, they may gain a better understanding of their editorial contents."²⁴ The damage newspapers caused to the public health by promoting poisons for the body functioned, in other words, as a metaphor for the damage they caused to public discourse and to the life of the mind more broadly.

THE POLITICS OF SOCIAL INSURANCE IN HABSBURG AUSTRIA

Across Europe the mass press breathed life into the market for ready-made medicines, allowing them to spread on a new scale and to transform popular forms of medical consumption. In Austria, though, an early system of state-mandated health insurance, which included the provision of medicines at no cost to the insured, also created an incentive to bring order to that sprawling market. Austria's social insurance legislation has largely remained in the historiographic shadow of Germany's, which preceded it by a few years and whose general architecture it borrowed. Both countries acquired Europe's first compulsory accident and sickness insurance schemes under conservative governments anxious to reconcile a growing working class with the imperial order. Nonetheless, social reform in Austria followed a path of its own charted by a complex constellation of antiliberal forces on the rise in the last quarter of the nineteenth century. This section outlines how this distinctive trajectory set the stage for the politics of medical insurance in

²⁴ *Die Fackel* 120 (1902): 26; 135 (1903): 4.

late Habsburg Austria. The next three sections, then, will examine the efforts devoted within workers' insurance to control the manufactured desire for drugs and to rationalize their distribution.

Historians have identified two main sources for the genesis of social insurance in the western half of the Dual Monarchy. The first was workers' self-help. In the early 1880s, more than 300,000 workers belonged to some form of mutual aid organization in Vienna and Lower Austria alone. Voluntary self-help societies were diverse in character, ranging from the genuinely self-governed associations of the skilled labor aristocracy to rather paternalistic factory funds set up and run solely by employers. In principle, certain categories of workers such as miners were legally obligated to subscribe to "fraternal funds," but this obligation was poorly enforced and most such funds provided no more than nominal protections.²⁵ In the uneven landscape of workers' self-help, a special place was occupied by the workers' education societies founded in Vienna and other cities of the Empire after the constitutional reforms of 1867 granted workers the freedom of association. The *Arbeiterbildung* movement, the cradle of Austrian socialism, shared with classical liberalism a belief in self-improvement through education, yet envisioned the education of workers in the broadest sense as the forging of *neue Menschen* (new men and women) through the cultivation of both mind and body. Gymnastics and singing classes, therefore, were as integral to their activities as lectures and conferences on topics of scientific or professional interest. As part of their efforts to raise defenses around the besieged body of the modern industrial worker, education societies oversaw the creation of independent mutual aid funds for ill or disabled members. Membership in these funds was not tied to employment in a particular firm or industrial branch. All workers were encouraged to join, including those who already belonged to a company fund but felt shortchanged by their paltry benefits or authoritarian management. Education societies were tireless in preaching workers' duty to support the welfare organizations created by and for the working class. Within three years of its creation in 1868, 15,000 members had been persuaded to enroll in Vienna's Arbeiter-Kranken- und Invalidenkasse, the first and largest of such funds. When workers' insurance became compulsory twenty years later, the fund's membership had risen to nearly 50,000, making it the largest voluntary welfare institution in the Empire.²⁶

²⁵ Wolfgang Maderthaner, "Mutual Benefit Societies in Austria," in *Social Security Mutualism: The Comparative History of Mutual Benefit Societies*, ed. Marcel van der Linden (Bern, 1996), 343–58; and Kurt Ebert, *Die Anfänge der modernen Sozialpolitik in Österreich: Die Taaffesche Sozialgesetzgebung für die Arbeiter im Rahmen der Gewerbeordnungsreform* (Vienna, 1975), 102–9.

²⁶ On the early history of mutual aid in workers' education societies, see Stefan Wedrac, *Die Allgemeine Arbeiter-Kranken- und Invalidenkasse in Wien 1868–1880* (Vienna, 2013).

The other main source was conservative social reform. The formation of Eduard Taaffe's cabinet with the backing of conservative and non-German parties in 1879 marked the end of liberal dominance in imperial politics. Within Taaffe's coalition, a small but influential coterie of Catholic reformers led in parliament by Prince Alois Liechtenstein and Count Egbert Belcredi strove throughout the 1880s to draw a reluctant government more deeply into confronting the "social question." Catholic social reform hinged on a principled rejection of the liberal fiction of the autonomous, freely contracting individual as the basis of the legal and social order. Its political ideal was a romanticized version of medieval society held together by common beliefs and natural hierarchies, one in which figures of authority were obeyed because they upheld their duties toward those placed under their tutelage. For most of the century, this ideal inspired the Church's struggle against the modernizing agenda of the central state. In the wake of the crash of Vienna's Stock Exchange in 1873, however, a number of leaders within political Catholicism became convinced that, in Liechtenstein's words, the "anarchy of production" and the power of financial capital had so eroded the social fabric that there was no hope of mending it without "the state's wise and moderating intervention."²⁷ The expansive program of reform they carried out from inside the governing coalition combined protective labor legislation—including preservation of artisanal crafts and trades, improved oversight of factory work, and limits on the length of the workday—with a comprehensive system of social insurance. A system of state-mandated and state-managed insurances offered perhaps the clearest instance of the kind of arrangement that, while subverting traditional forms of Christian charity, might help restore in the context of industrial capitalism the web of reciprocal solidarities that once bound Christian artisans in their guilds.²⁸

The economic downturn following the crash of 1873 had exposed the shortcomings of voluntary self-help as it existed in Austria. Accordingly, the idea of "state-organized self-help" gained support across the political board, including among conservatives who were otherwise wary of the radicalism of "the red prince"—as Liechtenstein came to be known—and his associates.²⁹ This consensus allowed the program of social insurance advocated by Catholic reformers to become law, though not without a number of consequential compromises for the eventual scope and structure of the system. To win over the representatives of the landowning Polish nobility in Taaffe's cabinet, for instance, agricultural and lumber workers were left out. As a result, the law of 1887 on workers' accident

²⁷ Alois Liechtenstein, *Die Sociale Frage* (Vienna, 1877), 23, 27.

²⁸ Margarete Grandner, "Conservative Social Politics in Austria, 1880–1890," *Austrian History Yearbook* 27 (1996): 77–107.

²⁹ The phrase "Staatlich organisierte Selbsthilfe" is in Max Lederer, *Grundriss des österreichischen Sozialrechts* (Vienna, 1929), 490.

insurance and that of 1888 on sickness insurance initially covered only one and a half million industrial wage earners in a population of approximately 24 million. The governance of the future system was another subject of contention. In imitation of the vocational guild system, Catholic reformers wanted to give each professional or industrial branch control over its own welfare institutions. But Taaffe and his cabinet held out instead for a system organized along territorial lines in which funds would enlist workers employed in a given administrative district rather than in a given occupation. Territorial funds could be placed under the oversight of local government officials, which gave the imperial bureaucracy wider prerogatives in the administration of the system in Austria than it ever had in Germany.³⁰

Of the various issues confronting the architects of the new system, however, the most delicate was that of how to deal with the existing network of mutual aid institutions. The costs and political risks involved in taking over organizations that served tens of thousands of members forced compromise on this point as well. Besides the district funds created by the law, company funds were allowed to remain in place as long as they met a number of basic requirements under the law. So too were the trade association funds for aides and apprentices in artisanal crafts, as well as the independent welfare funds overseen by the *Arbeiterbildungsvereine*.³¹ Hence, workers' insurance as it took shape in the 1890s was anything but a uniform system run tightly out of Vienna's ministries. Comprising about 3,000 different funds scattered across the monarchy, it was extraordinarily fragmented and diverse. No group experienced its contradictions as directly as Social Democrats. Socialists were bound to resent the intentions and limitations of a program that its designers presented explicitly as a means of forestalling labor militancy. At the same time, the newly founded Social Democratic party remained invested in preserving the independence of working-class organizations as they were integrated into the new legal regime of insurance. As Austrian workers remained without the right to vote until 1907, the campaigns to win seats on the governing boards

³⁰ Leon Bilinski, "Bericht des Gewerbeausschusses über den von der Regierung vorgelegten Gesetzentwurf, betreffend die Krankenversicherung der Arbeiter," *Beilagen zu den Stenographischen Protokollen des Abgeordnetenhauses X. Session 185* (Vienna, 1886), 9. The territorial arrangement also had the support of Czech and Polish federalists, who opposed the formation of new empire-wide institutions under the direct authority of Vienna. On the preparation of the 1887 and 1888 insurance laws, see William Jenks, *Austria under the Iron Ring, 1879–1893* (Charlottesville, VA, 1965), 196–220; Herbert Hofmeister, "Austria," in *The Evolution of Social Insurance, 1881–1981*, ed. Peter Köhler and Hans Zacher (London, 1982), 288–306; and Fritz Wolfgang, *Finanzminister Emil Steinbach, der Sohn des Goldarbeiters: Biographie* (Vienna, 2007), 65–89.

³¹ Bilinski, "Bericht des Gewerbeausschusses," 2–4. The best overviews on the structure of workers' sickness insurance remain in contemporary accounts, e.g., Otto Stöger, "Arbeiterkrankenversicherung," in *Österreichisches Staatswörterbuch: Handbuch des gesamten österreichischen öffentlichen Rechtes*, vol. 1 (Vienna, 1905), 226–62.

of insurance funds—a kind of election in which workers were the main protagonists—and the work of administering them became a training ground for scores of new party activists and cadres. While nationally the independent funds (*Vereinskrankenkassen*) and trade funds (*Genossenschaftskrankenkassen*) governed by socialists enrolled just under 30 percent of the insured in 1900, they attracted majorities of workers in many urbanized and industrialized areas in the west. In Vienna, as many as two out of every three insured workers subscribed to them.³²

In the end, the political meaning of social insurance in Habsburg Austria proved far more ambivalent than its origins in conservative politics might have suggested. The different political forces involved in building the system all viewed welfare funds as laboratories of sorts to experiment with other modes of collective organization than those prevailing in a liberal-capitalist society, yet their visions diverged sharply. Catholic reformers embraced them as modern avatars of the medieval guilds. For bureaucrats in the Josephinistic mold, they were state-supervised institutions in which impartial civil servants could act as arbiters of conflicting social interests. And for Social Democrats, who had no part in drafting the legislation of 1887–88 but were the most involved of all organized political forces in its enactment, workers' insurance opened spaces for self-government and political engagement. This made socialists fiercely defensive of the independence of the insurance funds they ran. Throughout the Habsburg era, they fought against interference from the Interior Ministry's actuarial experts, who they said wielded a "science" whose laws were known only to them—a "*Geheimwissenschaft*," as Leo Verkauf put it in his 1905 pamphlet "The Government's Battle against Workers' Insurance"—to rob workers of the right to govern their own welfare institutions.³³ The interpretation and implementation of the laws of 1887–88, in other words, remained contested long after their passage. To gain an understanding of the meanings and implications of workers' insurance in their unstable complexity, it is therefore necessary to shift attention from the political history of social reform to the much less researched social history of the politics of health insurance.

PHARMACEUTICAL SUPERSTITION

Insurance exploited the power of large numbers to transform accidents into regularities and erratic events into stable variations, to make the chaotic calculable

³² In 1900, this represented about 315,000 out of the nearly half a million Viennese workers enrolled in insurance funds. Following a pattern set by the *Arbeiterbildungsvereine*, the popularity of socialist funds was greatest in German-speaking cities. The figures cited here are official statistics drawn from *Die Gebarung und die Ergebnisse der Krankheitsstatistik der nach dem Gesetz vom 30. März 1888, RGBl. Nr. 33, betreffend die Krankenversicherung der Arbeiter angerichteten Krankenkassen* (Vienna, 1891–1913).

³³ Leo Verkauf, *Die Regierung im Kampfe gegen die Sozialversicherung* (Vienna, 1911), 45–48.

and the unexpected predictable. Mastering the mathematics of insurance to “offer for the smallest possible premiums the best possible benefits” was key to socialist propaganda.³⁴ Sound finances were required not merely to keep the Interior Ministry’s experts at bay but also to demonstrate that cooperation had more to offer workers than the miserly benevolence of employers or the state. Hence, command over the law of large numbers became one of the main ways in which socialists demonstrated their ability to organize large masses of workers in rational ways. In charge of the welfare benefits of tens of thousands of workers, socialist insurance administrators too had to embrace the punishing laws of accounting and cost control (fig. 2).

Of all the variables to be controlled and normalized, none preoccupied administrators as much as the cost of drugs. The level of spending on drugs was, in the words of Siegmund Fried, a medical officer of Vienna’s socialist workers’ funds, “the barometer of their sustainable management.”³⁵ The share of pharmaceutical expenditures in workers’ insurance was not inordinately high—on the contrary. From the early 1890s to the beginning of the war, funds devoted on average eight to fifteen percent of their resources to the provision of drugs, slightly less than what they spent on the services of physicians. But then, insurance created a special kind of market in which those who order, consume, and pay for medical goods were separate entities. This was a market no longer governed by traditional market rules. Where price, scarcity, and self-interest ceased to exercise their restraining functions, morality came into play, and drugs came to function as the touchstone of that morality—of the ability of workers to dominate their appetites, of physicians to resist the illegitimate demands of insured patients, of pharmacists to refrain from taking advantage of vulnerable clients, and of insurance administrators to deliver on the promise of providing essential medical care to contributing members. As a result, the concern for drugs always loomed larger than their actual share in the budget of sickness insurance seemed to have warranted. They served—and have since continued to serve—as an index of the power relations that traverse medical insurance.

Various explanations were offered for members’ immoderate desire for drugs. Sigmund Kaff, editor of the *Arbeiterschutz*, the organ of Vienna’s socialist insurance funds, deplored that “many insured members, especially the female part, make a liberal, indeed very liberal, use of drugs.” Regarding the law’s requirement that drugs be dispensed to the insured at no cost, the *Arbeiterschutz* noted that “members are all too inclined to use this benefit granted by the law in the most

³⁴ *Bericht der Allgemeinen Arbeiter-Kranken- und Unterstützungskasse in Wien für das Jahr 1894* (Vienna, 1895), 14.

³⁵ Dr. Siegmund Fried, *Rezeptformeln und therapeutische Winke für Krankenkassenärzte*, 2nd ed. (Vienna and Leipzig, 1906), vii.

FIG. 2.—Offices of the Allgemeine Arbeiter-Kranken- und Unterstützungskasse, Vienna's largest socialist health insurance fund, in 1914. Reproduced by permission of the Bezirksmuseum Mariahilf, Vienna.

unsparing manner.”³⁶ Commentators without socialist sympathies were even more direct. Since insured workers paid their dues and stopped receiving medical care merely as charity, Joseph Noggler lamented, they felt entitled to demand from doctors whatever they wanted: “Workers pride themselves on dealing in a blunt and often downright disrespectful manner with their physician; they wish to impress on him that he is their servant, that he is paid with their money and lives on their income. . . . The prescription! This is what they demand from him, and quickly, so they can return to work.”³⁷ Observers wishing to explain rather than condemn the behavior of the insured recognized that, if insurance may have given workers the confidence to express their wishes, the desire for drugs itself stemmed from other sources. Dr. Heinrich Grün of the Association of Viennese Physicians (Wiener Ärztekammer) traced it to the influence of “newspaper advertisements, which persuaded the public to twist physicians’ arms to obtain the prescriptions they want.”³⁸ The profligate and entitled consumer of drugs whom insurance accountants dreaded corresponded precisely with the self-indulgent, feminized subject that the era’s mass media were said to produce.

Alongside the sweeping critique of consumerism—a critique that in principle could apply to any commodity—explanations emerged that hinged on what set drugs apart from other goods. During the 1890s, insurance administrators began speaking of “pharmaceutical superstition” (*Medicamenten-Aberglaube* or *Arzneiaberglaube*) to name the specific beliefs to which the modern economy of drugs gave rise. Pharmaceutical superstition consisted, first, in seeing the efficacy and promptness of the cure as a function of the amount of drugs prescribed: “Only those doctors who on every occasion prescribe the greatest quantity of drugs,” the *Arbeiterschutz* commented, “pass for capable in the eyes of the insured. . . . Patients believe that doctors who prescribe little are worth little, although the exact opposite might well be true.”³⁹ Second, it “saw therapeutic outcomes as depending on the higher or lower price of a drug.” The higher the price, insurance officers lamented, the more powerful the drug was believed to be.⁴⁰ In 1904, Rudolf Richter asked fellow participants at a conference of insurance administrators in Vienna to approve the organization of a competition for the best

³⁶ [Sigmund] K[aff], “Das Apotheker-Monopol,” *Arbeiterschutz* (1891), 50; “Die Arzneiverschwendung bei den Krankenkassen,” *Arbeiterschutz* (1893), 103–4.

³⁷ J[osef] N[ogge]l, “Krankenkassen, Aerzte und Apotheker,” *Pharmaceutische Post* (1895), 73.

³⁸ “Referat des Dr. Grün,” *Mitteilungen der Wiener Aerztekammer* (1911), 26. This was something that pharmacists acknowledged as well. See, for instance, “Die Rezeptur- und Handverkaufs-Spezialitäten,” 255.

³⁹ “Gegen der Arzneihunger,” *Arbeiterschutz* (1902), 385.

⁴⁰ “Die Medicamentenfrage und die Krankenkassen,” *Arbeiterschutz* (1893), 344.

educational pamphlet (*Aufklärungsschrift*) on the topic of pharmaceutical superstition. The winning entry was to be printed on thousands of flyers and distributed as widely as possible in order to open the public's eyes on the false promises of drugs.⁴¹ There is no evidence that the competition took place. Even if it had, it would likely have resulted in yet another disappointment for insurance administrators. As they acknowledged themselves, pharmaceutical superstition had deep roots in the inability, not merely for laypeople but to a large extent also for physicians, to gain any definitive knowledge on the effects of medical interventions. By providing care in the form of a tangible commodity, drugs exorcised the uncertainties linked to the intangibility of therapeutics; but since a drug's actual effects on the body—what Marx would have called its use value—are themselves largely inscrutable, the sick were inevitably inclined to fall back on its price—or exchange value—as the best index of its powers.

Thus, the term “superstition” was ambivalent; it pointed in two opposite directions. On the one hand, it conjured up a web of metaphors that attached the belief in the special powers of drugs to the *Wunderkammer* of the early modern apothecary shop crammed with esoteric books, strange animal macerations, exotic plants, powders, and roots. “Since in earlier times,” an insurance doctor speculated in the pages of the *Arbeiterschutz*, “a poor understanding of the laws of nature persuaded people that diseases had supernatural causes, so too were they led to believe that diseases would respond to remedies of some mysterious sort or origin.”⁴² A relic of premodern mentalities, such superstitions, it was suggested, survived only among the as yet uneducated and unenlightened and promised to dissipate in due course. On the other hand, critics of the “drug superstition” linked it to the effects of industrial capitalism on pharmacy. Thus the author of the article quoted above eventually attributed the misguided attitudes of patients and physicians toward drugs to “our present social conditions,” and not in fact to the persistence of an inherited sociocultural order in the process of being displaced.⁴³ The interpolations between immaterial care and material commodity and between use and exchange value obeyed the specifically capitalist logic involved in what Marx called commodity fetishism. That particular phrase was not part of the vocabulary of the administrators of Vienna's workers' insurance funds, who likely read little Marx beyond the *Communist Manifesto*, yet in noting the confusions that allowed the price of a drug to be perceived as a property of the substance rather than of the relations of power in which it was produced and exchanged, their critique was in many ways faithful to it. They, too, struggled with and against the inclination to

⁴¹ “Generalversammlung der Wiener Bezirkskrankenkasse,” *Pharmaceutische Post* (1904), 363.

⁴² Dr. F. Landmann, “Medicinschluckerei ist Geldverschwendung,” *Arbeiterschutz* (1896), 70.

⁴³ Landmann, “Medicinschluckerei ist Geldverschwendung,” 71.

FIG. 3.—Michael Schacherl, *Die Geheimnisse der lateinischen Küche* (Graz, 1901), title page illustration. Color version available online.

perceive and represent as a natural relation between things what was in fact a historical relation between social groups.

Owing to these very ambiguities, “superstition” aptly captured the changing attitudes toward drugs as pharmacy shifted from craft to industry. At the close of the nineteenth century the Austrian pharmacist was midway in his conversion from a skilled artisan to a scientifically trained retailer of mass-produced pharmaceuticals. In their bitter arguments with pharmacists, socialists never missed a chance to emphasize the many traits that still tied pharmacy to an obscure feudal past: its taste for secrecy, its exploitation of inherited privileges, its attachment to an antiquated Latin. “Masters of the Latin cuisine” (*Herren der lateinischen Küche*) was perhaps the most popular of the many derisive epithets hurled in the socialist press at the notoriously conservative corporation (fig. 3).⁴⁴ At the same time, the socialist discourse on pharmacy depicted the profession as inescapably caught up in the capitalist logic of competition and commodification. Changing attitudes toward drugs displayed the free press’s power to bring to life new superstitions even as

⁴⁴ See, in particular, Michael Schacherl, *Die Geheimnisse der lateinischen Küche* (Graz, 1901). For occurrences of the phrase in the *Arbeiterschutz*, see, e.g., “Die Medicamentenfrage und die Krankenkassen” (1893), 344–45; “Die Ausgaben für Medicamente und der Apothekerschacher” (1902), 400; or “Apothekerlatein” (1903), 293–94.

it seemed to fulfill the promise of universal literacy. As Austrian socialists were forced to confront this new kind of superstition in the administration of health insurance, they witnessed for perhaps the first time how mass media produced some of their most far-reaching political effects by eschewing explicit political discourse and investing instead in the ostensibly depoliticized realm of mass marketing and mass consumption.

THE PRESCRIBING MACHINE

The most distinctive ideas to emerge from the involvement of socialists in the building of workers' insurance were not in the formulation of a moral economy aimed at containing the moral hazard created by insurance. Rather, they lay in the recognition of the specific ways in which drugs disrupt the very possibility of a moral economy. The inscrutability of medicines' effects on the body made the determination of a fair price for drugs anchored in their use value all but hopeless. As they linked the drug fetish to the effects of recent economic transformations, and no longer merely to the remnants of age-old superstitions to be dispelled through education and enlightenment, socialist insurance administrators came to the realization that the "edification" (*Belehrung*) of workers would be of little use in overcoming it.⁴⁵ What was to be done, then, to protect workers' insurance from a ruinous superstition that threatened to solidify rather than unravel with the further progress of capitalism?

Insurance plans did not cover medications unless physicians prescribed them, so a first-line strategy was to attend to prescribers rather than consumers of drugs. The Vienna Medical School had become known in the second half of the nineteenth century for its so-called therapeutic nihilism, that is, its dedication to the advancement of medical science rather than the therapeutic arts. Its philosophy included a belief in the healing virtues of nature and in the value of observing the evolution of diseases as they ran their full natural course. But the Vienna Medical School consisted of a small circle of professors of medicine who practiced chiefly in teaching hospitals. Insurance physicians occupied positions at the opposite end of the medical hierarchy, and their relation to drugs stood in stark contrast to that of academic physicians. Doctors employed by insurance funds could see upward of sixty patients in a single workday. Given that drugs were dispensed to the insured at no cost, the temptation to reach for the prescription pad in order to expedite consultations and avoid arguments with headstrong patients often proved irresistible. When the physician felt powerless to help a particular patient, prescribing some innocuous drug was an ef-

⁴⁵ "Die Arzneiverschwendung bei den Krankenkassen," 104.

fective way to leave him or her with the sense that “something was being done.”⁴⁶

In the eyes of insurance administrators, the ideal insurance physician (*Kassenarzt*), both a healer and a teacher, was to be at once frugal and generous, to blend flexibility and firmness. He was expected to show empathy for members of a different social class than his but also to diagnose their moral as well as bodily failings. His responsibilities included spotting and reporting simulators, dismissing patients who came with injuries sustained as a consequence of brawling or intemperance, and curing the insured of their pathological desire for drugs. Because too many doctors seemed to fall short of that ideal, insurance funds, aided by the government, began curtailing physicians’ traditionally sacred freedom of prescription. In 1891, the Interior Ministry issued a decree that defined standards of economical prescription. The *Ordinationsnorm*, as it was known, expected insurance physicians to acquire a thorough knowledge of the prices of drugs as laid out in the government-issued drug tariff (*Arzneitaxe*). Of two therapeutically equivalent drugs they were always to choose the more affordable one. Strict limits were set on the amount of sugar that could be used to sweeten bitter medicines. Prescriptions written on the account of welfare funds were required to bear the inscription “*pro paup.*” or “*expeditio simplex*” (“for pauper” or “economical fulfillment”), which obligated pharmacists to use the cheapest possible excipients and packaging in filling them. Workers’ funds usually imposed the *Ordinationsnorm* on their physicians, sometimes alongside other strict rules stipulated in the contracts of insurance physicians. The prescription of medicinal wines or cognacs, for instance, was almost always prohibited.⁴⁷ In 1892, Siegmund Fried published a prescription handbook for fellow insurance physicians whose purpose he described as follows: “I strove to indicate formulas for every drug included in the Austrian pharmacopeia as well as a number of other useful drugs for our patients, yet stripping them of anything that is not absolutely indispensable to the drug’s therapeutic purpose. The goal of these pages is to rid insurance physicians of the pernicious habit of prescribing unnecessary drugs or overly expensive preparation methods.”⁴⁸ All such rules hinged on an opposition between the indispensable and the su-

⁴⁶ Landmann, “Medicinschluckerei ist Geldverschwendung,” 69. See also Sigmund Kaff, “Die Ärzte und das Krankenversicherungsgesetz,” *Arbeiterschutz* (October 15, 1890), 4–5.

⁴⁷ RGBL (1891), #45. In Vienna’s socialist funds, the standard contract for insurance physicians had been drafted in 1890 by Dr. Berthold Glattauer. See Kaff, “Die Aerzte und das Krankenversicherungsgesetz,” 3. This contract, whose aims included keeping pharmaceutical expenditures to a minimum, was regularly attacked by pharmacists. See, e.g., Noggler, “Krankenkassen, Aerzte und Apotheker,” 74ff.

⁴⁸ Siegmund Fried, *Receptformeln und therapeutische Winke für Krankencassenärzte* (Leipzig and Vienna, 1892), vi. Fried was also doctor of pharmacy.

perfluous, the necessary and the pleasing. The only appropriate drug for the insured was one stripped down to its austere and unpalatable essentials. A sense of economy and even a certain retentiveness was to be nurtured among doctors, while workers were to accept that good medicine is bitter medicine and that bearing some displeasure was part of being a virtuous patient.

No doubt the most debated question in this context was whether to ban proprietary drugs from insurance practice altogether. Fried's picture of the ideal prescription was drawn in deliberate contrast to the ready-made, brand-name remedies advertised in newspapers, which insurance administrators referred to as "luxury drugs." Only a fraction of the price of proprietary drugs covered actual production costs; the rest financed the high profits and marketing expenses of their manufacturers. That the scarce resources of insured workers should serve to bankroll the advertising that cultivated the very superstitions threatening to undermine sickness insurance seemed simply unacceptable. Before the era of compulsory insurance, then, Viennese mutual aid societies prohibited the prescription of proprietary remedies altogether.⁴⁹ When physicians broke the rule, the price of the drug was to be docked from their pay. Beginning in the 1880s, however, the German chemical industry brought to the market a number of novel synthetic agents, such as Hoechst's Antipyrin or Bayer's Aspirin, which physicians quickly came to regard as irreplaceable. These were patented products that could not be prepared in the pharmacy laboratory, and hence were available only in their proprietary form.⁵⁰ As a result, the authors of the otherwise strict *Ordinationsnorm* decided to allow proprietary items, provided physicians added a note of justification on the back of the prescription sheet each time they ordered one for a patient. Predictably, physicians resented that requirement. If the word of justification were written in Latin, Dr. Grün objected, it would not be understood by insurance administrators, and if written in German, it would open the door to all kinds of inquiries and recriminations on the part of patients. Proprietary drugs had become part of mainstream medical practice, and by delaying their uptake in insurance practice administrators were creating a "poor man's prescription" (*Armenrezeptur*), a second-tier medicine for the laborer that insurance was ostensibly meant to avoid.⁵¹ In the revised version of the *Ordinationsnorm* issued in 1906, the word of justification was no longer required. Slowly but irreversibly, proprietary drugs imposed themselves in insurance as well as in private practice.

⁴⁹ "Die Percent-Nachlässe in den Apotheken von Wien," *Pharmaceutische Post* (1886), 177.

⁵⁰ Antipyrin was the first of these new drugs in 1883. Aspirin became available in 1899. See Richard Wasicky's retrospective discussion in "Über Arzneispezialitäten," *Sonderbeilagen der Wiener klinischen Wochenschrift* 38/41 (1925): 2–3.

⁵¹ "Referat des Dr. Grün über ein Gutachten zur Abänderung, beziehungsweise Ergänzung der Ordinations- und Dispensationsnorm," *Mitteilungen der Wiener Aerztekammer* (1906), 34–35.

In addition to the fragile barriers erected against the excesses of drug prescription, insurance administrators saw the need for a more far-reaching reform of medical culture. The advances of medical science in the last third of the nineteenth century all obeyed a similar logic of atomization and naturalization. They disassembled the sick person into discrete physiochemical processes, each of which tended to become the preserve of a medical specialty focused on a single organ or organic function. Contemporary critics of academic medicine located in the loss of a holistic viewpoint on the diseased individual the root of physicians' misguided focus on the pharmacological treatment of symptoms. The inability to see the body as a whole and to see it as a socialized body, socialists added, was bound to affect workers more than any other group. The illnesses they fell victim to—tuberculosis, venereal disease, the consequences of poor diet and alcohol abuse, or work-related injuries—stemmed in large part from the conditions in which they lived and labored. As contradictions of capitalism expressed in and through the laborer's body, workers' diseases were also the least likely to respond to drugs. In treating these pharmacologically nonetheless, orthodox "state medicine" (*Staatsmedizin*, as medicine taught in medical school was dubbed in socialist publications) served a clear ideological purpose: it interpreted and represented the specific consequences of industrial capitalism upon the exploited body of the worker as random failures of a universal human biology. Physicians' blind trust in drugs, it was argued, originated in a blindness inflicted by orthodox medical education to the social causes of workers' diseases, or in the best of cases from a resigned acceptance of a social situation they felt powerless to change. Either way, the prescription and consumption of drugs had the effect of naturalizing class relations and their manifestations on the body of the worker.⁵²

Short of a revolution that would abolish capitalist relations of production, steps could be taken to foster a medical culture more attentive to the social circumstances in which illnesses take root, one in which physicians understood themselves as more than mere "prescribing machines."⁵³ Workers' insurance became fertile ground for the development of social and occupational medicine. Ludwig Teleky, the founding figure of industrial medicine in Austria, served as chief physician for occupational diseases in Vienna's socialist insurance funds from 1905 onward, a position that provided him with a unique observation post onto respiratory diseases or heavy metal intoxications among industry workers.⁵⁴

⁵² Aspects of this argument are articulated in, among others, Landmann, "Medicinschluckerei ist Geldverschwendung," 70; Kaff, "Die Aerzte und das Krankenversicherungsgesetz," 3–5; and "Die Bewegung unter der Wiener Aerzte," *Arbeiterschutz* (1897), 33–34.

⁵³ That phrase is in Nogger, "Krankenkassen, Aerzte und Apotheker," 73.

⁵⁴ Andreas Wulf, *Der Sozialmediziner Ludwig Teleky und die Entwicklung der Gewerbehygiene zur Arbeitsmedizin* (Frankfurt, 2001), 31–32. Teleky earned his posi-

The same period also saw the growing involvement of socialist health reformers in the struggle against alcoholism. In contrast to religious reformers, who tended to blame alcohol abuse on moral weakness, socialists insisted that it be seen in essentially the same light as other workers' diseases. "It is a social phenomenon," Otto Lang noted, "for only in certain social circumstances—namely the ones under which the worker lives today—does alcohol consumption turn into alcohol addiction."⁵⁵ Through alcohol "misery loses its revolutionary force," he added, and "the worker ceases to experience its sting and to feel the drive to elevate himself out of the dank and narrow existence in which he is confined, losing all sense of fellowship in the liberation struggle of his comrades."⁵⁶ Not unlike prescription drugs, alcohol was a false remedy that numbed workers to the violence of capitalism, thereby reproducing the conditions in which its abuse had been allowed to spread. It was in Victor Adler's pharmaceutical metaphor "one of the most powerful sedatives (*Hauptbetäubungsmittel*) of the workers' struggle."⁵⁷

The critique of academic medicine brought socialists into ambivalent relations with the contemporary natural medicine movement. Natural healing grew into a mass phenomenon in Central Europe in essentially the same years that saw the rise of sickness insurance and the proprietary drug business. By the turn of the century, it counted hundreds of thousands of adherents organized in local chapters throughout the region. Despite the extraordinary diversity of its membership, geography, and methods used to harness the healing powers of nature—fresh air and sunlight, water cures and sand baths, hiking and bicycling, nudism and the reform of dress, vegetarianism and other special diets, renunciation of alcohol and tobacco, and so on—the movement coalesced around an opposition to the pharmacological bias of mainstream medicine. This designated it as a force to ally with in the struggle against pharmaceutical superstition. Naturopaths encountered considerable success among the working class, not least because workers knew academic medicine only through their dealings with the overworked and underpaid insurance doctor. When a coalition of local insurance funds petitioned the Saxon parliament for the creation of a chair for "natural medicine and drug-free therapeutics" at the University of Leipzig in 1895, the *Arbeiterschutz* applauded the initiative and expressed its hopes to see similar ones undertaken east of the border.

tion in large part through his relationships with socialist leaders. He was, among other things, Victor Adler's personal physician.

⁵⁵ Otto Lang, *Die Arbeiterschaft und die Alkoholfrage* (Vienna, 1902), 7.

⁵⁶ Lang, *Die Arbeiterschaft und die Alkoholfrage*, 9.

⁵⁷ Lang, *Die Arbeiterschaft und die Alkoholfrage*, 19. See also Dr. Richard Fröhlich, "Der Kampf gegen den Alkoholismus und der Bremer Kongress," *Arbeiterschutz* (1903), 188–89; and "Die Alkoholfrage auf die sozialdemokratischen Parteitage," *Arbeiterschutz* (1903), 380–82; and Fr. L. "Alkoholismus und Krankenkassen," *Arbeiterschutz* (1904), 19–21.

The recruitment of naturopaths and the reimbursement of nonpharmaceutical therapies such as water cures, massages, and stays at sanatoriums became common practice in workers' insurance in the years leading to the war.⁵⁸

Yet despite their shared enemies and overlapping memberships, deep disagreements separated the two movements. Much of natural medicine was dominated by a conservative ideology hostile to urban and industrial civilization, a worldview irreconcilable with Marxism. Socialists' critique of pharmaceutical superstition, for example, never entailed a wholesale rejection of pharmacy. Insurance funds hired their own physicians and paid for the drugs they prescribed, as opposed to distributing cash allowances that would let members seek medical care on their own, "because the sick worker who has a family, who is in debt, who is drawn to intemperance, and in countless other situations will be tempted to spend a cash allowance on other things than the physician and the pharmacist, and to resort instead to charlatanesque drugs or healers."⁵⁹ The end goal of sickness insurance, in other words, was to bring workers into the fold of orthodox medicine. After all, physicians were particularly well represented in the leadership of the Austrian socialist movement and even more so of its sickness insurance funds. If socialists criticized some of the medical profession's biases, they remained fundamentally faithful to its scientific ethos.⁶⁰ Thus, the editors of the *Arbeiterschutz* regretted the involvement of socialist militants in natural medicine's crusade against smallpox vaccination. They mocked the "obscurantists, speculators, and medical dilettantes" who linked the vaccine to mental illness, nearsightedness, or hair loss and called on the government to render vaccination mandatory in Austria, outlaw public gatherings of antivaccine groups, and coordinate provaccination campaigns in schools. "Social democracy," the editorial concluded, "must not necessarily be revolutionary in sanitary matters." Provided they were produced and prescribed in a medical economy reinvented in collective structures—first in experimental ones like insurance funds, then within

⁵⁸ "Zur Frage der Naturheilkunde," *Arbeiterschutz* (1896), 197–98; and "Die Naturheilkunde bei den Krankencassen," *Pharmaceutische Post* (1899), 230. *Festschrift der allgemeinen Arbeiter-Kranken- und Unterstützungskasse in Wien über ihre 25jährige Tätigkeit unter dem Krankenversicherungsgesetze* (Vienna, 1914) offers a retrospective account of the efforts of Vienna's Arbeiter-, Kranken-, und Unterstützungskasse to develop programs dedicated to preventive and nonpharmacological care.

⁵⁹ Karl Lamp, *Das österreichische Arbeiter-Krankenversicherungs-Gesetz und die Praxis, Beobachtungen eines Verwaltungsbeamten* (Leipzig, 1901), 112. Similar observations were made in parliamentary debates prior to the passage of the law of 1888. See Bilinski, "Bericht des Gewerbeausschusses," 5.

⁶⁰ Heinrich Paschkis, "Das Wesen der Naturheilkunde," *Arbeiterschutz* (1899), 2–6, for example, makes the argument that everything that is of value in natural therapies can be justified on scientific grounds.

a broader postcapitalist society—there was to be a place for drugs in socialism.⁶¹

THE NATIONALIZATION OF PHARMACY

Insurance politicized the relations between patients and medical professionals. “Instead of a reciprocal relation between individuals,” Karl Lamp wrote, “an opposition was introduced between physicians and pharmacists on the one hand, and a social class closed in on itself on the other.”⁶² In the spaces where the organization of sickness insurance was negotiated, roles were changed. Workers met physicians and pharmacists no longer merely as sick patients but also as workers speaking on behalf of other workers, while physicians and pharmacists acted no longer solely as care providers but also as representatives of their respective professions. By foregrounding the collective and contradictory interests that tended to remain unspoken in the individual therapeutic encounter, these negotiations contributed to giving the various groups involved in sickness insurance a more self-conscious subjective existence, a greater awareness of the social and economic forces that shaped their conflicting relations.

In socialists’ critical sociology of the medical world, however, physicians and pharmacists occupied very different positions. Social Democrats recognized the progressive role that physicians were called on to play in society and, despite strained relations with some of their insurance doctors, they acknowledged the very real difficulties of making a living as a physician in turn-of-the-century Austria.⁶³ In contrast, pharmacists were viewed as invariably prosperous and reactionary. Owing to a state-enforced concession system capping the number of apothecaries in Austria, pharmacy was a divided and unequal profession, dominated by a small caste of privileged pharmacy owners (*Apotheker*) who in turn employed large numbers of subordinate pharmaceutical aides (*Pharmaceuten*) or apprentices. This situation gave rise to a class struggle of sorts within the profession itself, opposing the few who controlled the means of pharmaceutical production to the growing ranks of pharmaceutical wage earners who possessed the same qualifications as their employers, but without the economic security.

⁶¹ See “Der Kampf gegen die Impfung,” *Arbeiterschutz* (1902), 175–76, 212–13, and 257–58; and S. R[osenthal], “Ueber Blatterimpfung,” *Arbeiterschutz* (1902), 263–65.

⁶² Lamp, *Das österreichische Arbeiter-Krankenversicherungs-Gesetz und die Praxis*, 107.

⁶³ The wages of insurance doctors in particular were astonishingly low. Around 1900, they usually earned around a half krone per consultation, compared to the six to ten krone usually asked of uninsured patients. See Lamp, *Das österreichische Arbeiter-Krankenversicherungs-Gesetz und die Praxis*, 113; and “Ein neuer Aertzetarif für ganz Österreich,” *Pharmaceutische Post* (1897), 203–4.

Whereas virulent antisocialism was rife among pharmacy owners, many pharmaceutical aides were staunch socialists, tactically allied with workers in their struggle against the country's pharmaceutical establishment. It was in these circumstances that the apothecary became a perhaps unexpected embodiment of the exploitative capitalist in Austria.⁶⁴

Initially the conflicts between insurance funds and pharmacists concentrated on the issue of discounts. Before workers' insurance was made mandatory in the late 1880s, Vienna's pharmacists granted rebates ranging between 25 and 33 percent on the price of drugs to members of self-help societies. After the rollout of the law of 1888, pharmacists decided that the sudden upswing in the numbers of insured workers rendered the charitable discounts they once gave to a handful of them unsustainable. Instead of 25 percent, they declared themselves willing to concede 20 percent on retail prices, provided that insurance funds abandoned some of their more stringent cost-control policies on drug expenditures. Insurance funds retorted that the law of 1888 was in fact a boon for pharmacists, who were handed a vast captive market. "Henceforth," Sigmund Kaff wrote in 1891, "the worker is *forced* to consume drugs, and everyone familiar with the matter knows that, without this constraint, only a minority of workers would be able or willing to spend their skimpy sickness allowances on drugs."⁶⁵ In Vienna, insurance funds demanded on these grounds that the traditional rebates be increased to forty percent of retail prices.⁶⁶ In Bohemia, the controversy led the Bureau of Workers' Insurance in Prague—Franz Kafka's future office—to intervene and ask pharmacists and funds to agree on a standard 25 percent deduction.⁶⁷

A great deal of speculation surrounded the real costs of drugs and the profit margins of pharmacists. The socialist press made frequent allusions to extravagant markups on products sold in pharmacies. In November 1890, for instance, the *Arbeiterschutz* compared the production costs and retail prices of four common medicines and alleged that pharmacists' profit margins on these rose to 188, 372, 148, and 131 percent, respectively, concluding that a 40 percent deduction was the least pharmacists could do. "Drug racketeers" (*Medicamentenwucherer*,

⁶⁴ On this, see, e.g., [Sigmund] K[aff], "Das Apotheker-Monopol II," *Arbeiterschutz* (1891), 63–64. Insurance funds hired pharmaceutical aides to review the bills that pharmacists sent them in order to uncover overcharges and other fraudulent irregularities, a practice that pharmacists intensely resented. See "Ein neuer Retaxator," *Pharmaceutische Post* (1894), 547.

⁶⁵ Kaff, "Das Apotheker-Monopol," 50.

⁶⁶ Mercurius, "Die Apotheker und die Krankenkassen," *Arbeiterschutz* (October 15, 1890), 5–7; and "Die Percent-Nachlässe in den Apotheken von Wien, den Vororten und der Umgebung Wiens," *Pharmaceutische Post* (1886), 177–78.

⁶⁷ Hans Heger, "Die Krankenkassen und die Apotheken," *Pharmaceutische Post* (1891), 32–33.

lit. “drug usurers”) became another ritual designation of pharmacists in the pages of the *Arbeiterzeitung* and *Arbeiterschutz*, which orchestrated relentless campaigns against pharmacists’ efforts to “turn the new welfare institutions serving the poorest among the poor into objects of exploitation.”⁶⁸ In the pharmaceutical press, too, numbers were cited in plenty, though they told an entirely different story—one of pharmacists pushed to the brink of bankruptcy by “rapacious” insurance funds. Pharmacist Hans Gutt described the confrontation with insurance funds as a “struggle for survival.”⁶⁹ Given the lack of transparency on the actual costs and revenues of the drug business, the price of pharmacy concessions provided probably the most trustworthy measure of the economic state of pharmacy. In Vienna these prices commonly exceeded 200,000 krone by the time insurance became compulsory and continued to rise steadily thereafter, suggesting that indeed compulsory insurance was not the economic calamity pharmacists claimed it to be.⁷⁰ In order to maintain the value of their pharmacies, however, pharmacists had no choice but to inflate their sales and keep their profit margins as elevated as possible. The transformation of the pharmacy itself into capital to be consolidated and remunerated thus constituted in the eyes of socialist critics like Michael Schacherl the key to the whole logic of the new pharmaceutical economy, including the large-scale advertising of drugs, the frequency of their adulteration, the low wages of pharmacy employees, and the “organized robbery of workers’ insurance.”⁷¹

In Sigmund Kaff’s words, these circumstances singled out the drug business as an industry “suited like no other for nationalization.”⁷² Because the information that customers would have needed to make rational judgments on the quality and price of drugs was so scarce, the drug market possessed not even a semblance of the self-regulating virtues of free commodity markets. Only through an intricate scaffolding of state-issued and state-enforced regulations, privileges, and monopolies was the private drug trade more or less prevented from collapsing into complete dysfunction. In parliamentary hearings held in 1897 on the reform of workers’ insurance, delegates from Lower Austria, Bohemia, and Gali-

⁶⁸ Mercurius, “Die Apotheker und die Krankenkassen,” 6.

⁶⁹ See e.g., Heger, “Die Krankenkassen und die Apotheken,” 32–34; “Beleuchtung zu den Verhältnissen der Apotheker zu den Krankenkassen und Bericht über die neue Ordinationsnorm,” *Pharmaceutische Post* (1891), 773–78; Hans Gutt, “Über das derzeitige Verhältniss der Apotheker zu den Krankenkassen,” *Pharmaceutische Post* (1892), 1029–34; and Noggler, “Krankenkassen, Aerzte, und Apotheker.”

⁷⁰ Alois Kernbauer, *Zwischen Zunft und Wissenschaft: Der Österreichische Apotheker- und Pharmazeutenstand in der Krise* (Graz, 1989), 62–70, and Isidor Mück and Franz Hoffmann, *Die Regelung des österreichischen Apothekenwesens* (Vienna and Leipzig, 1897), 19.

⁷¹ Schacherl, *Die Geheimnisse der lateinischen Küche*, 6–8 and 16ff.

⁷² Kaff, “Das Apotheker-Monopol,” 49.

cia spoke at length of the need to collectivize the drug supply.⁷³ The advantages expected from the expropriation of apothecaries were many. First, it would abolish the monopoly on which pharmacies relied to extract undue profits from a vulnerable public. Second, in short order, it would also eliminate the trade in proprietary drugs, understood as an irrational outgrowth of capitalism fulfilling no real need yet kept alive by and for pharmacists compelled to inflate their sales in order to maintain the value of their capital. As the drug industry vanished, so too would the vast propaganda it orchestrated in the press. In the long run, therefore, nationalization would result in a radical transformation of the public's relation to drugs. Clearly, this was a case for nationalization rooted in a complex understanding of the specificities of the drug trade, not one derived from a mere generic preference for a socialized economy.⁷⁴

Such arguments met with broad public support, even among groups not otherwise inclined toward economic collectivization. The conflicts opposing insurance funds and pharmacists gained public attention in 1899 when Vienna's socialist insurance funds organized a boycott of most of the city's pharmacies in response to pharmacists' unilateral decision to reduce the discount granted to the insured from 24 percent, where it had stood since 1893, to 15 percent. Meanwhile, the Union of Viennese Trade Association Funds (*Verband der Wiener Genossenschafts-Krankenkassen*), led by former carpenter and future member of the House of Representatives Laurenz Widholz, had its members bring their prescriptions to its headquarters on the Mariahilfer Straße, where drugs sourced directly from factories or wholesalers were stocked to cover the needs of the sick. From January into the fall, street protests staged against pharmacists—fifteen of them in the month of April alone—ensured broad coverage in the daily press. On October 16, a decree of the Ministry of the Interior made a 25 percent discount for insurance funds, once provided voluntarily by pharmacists, mandatory and permanent. The Ministry's intervention, ending months of fruitless negotiations between representatives of pharmacists, insurance funds, and city authorities, was a victory for socialists.⁷⁵ Similar boycotts took place the following year in Lemberg, Wiener Neustadt, and Graz

⁷³ "Enquête zur Reform des Kranken-Versicherungs-Gesetzes," *Pharmaceutische Post* (1897), 168, 179.

⁷⁴ See, e.g., Kaff, "Das Apotheker-Monopol II," 65; and "Der Gesetzentwurf über die Regelung des Apothekerwesens," *Arbeiterschutz* (1905), 5–6.

⁷⁵ For a retrospective overview of the conflict from the viewpoint of socialists, see *Festschrift der Allgemeinen Arbeiter-Kranken- und Unterstützungskasse in Wien über ihre 25jährige Tätigkeit*, 114–21; and from that of pharmacists: Leopold Hochberger, *Geschichte des Wiener Apotheker-Hauptgremiums* (Vienna, 1930), 118–24. The most extensive contemporary coverage is in the *Arbeiterschutz* and the *Pharmaceutische Post*, the unofficial organ of the city's leading apothecaries. Besides the *Arbeiterzeitung*, the Christian Social *Deutsches Volksblatt* also covered the fight, e.g., in "Die Apotheker Wiens und der Socialdemokratische Krankencassen-Verband," March 10, 1899, 9.

(where it lasted into 1902), and then in Cracow in 1907. In Vienna, agitation against pharmacists continued long after the 1899 boycott, such as on November 14, 1904, when Rudolf Berger, Social Democratic representative from Bohemia and member of the public health committee of the House, gathered a crowd of about sixty by a pharmacy in the Hütteldorf district of Vienna to deliver a fiery speech in front of an effigy of the pharmacist in stocks.⁷⁶

Among socialists' unexpected allies in this struggle was Karl Kraus, who pledged full support for what he called "the struggle of insurance funds against the abuse of pharmacists' privileges."⁷⁷ In 1902, he published several lengthy articles painstakingly laying out for his readers the principles of the *Arzneitaxe*, the government-issued document setting the price of drugs, and the legitimate measures taken by insurance funds to obtain discounts on these prices. Although this foray into sanitary affairs was unusual in the pages of *Die Fackel*, pharmacy struck Kraus as a typical illustration of the system of special privileges and insider connections that governed Habsburg Austria and that he had made it his mission to expose. Officially, the *Arzneitaxe* was issued every year by the High Council for Public Health (Obere Sanitätsrat), he noted, but in fact it was written behind closed doors by a commission run by four prominent Viennese pharmacists with "an awkward conflict of interest," since every decision they made regarding the price of drugs had direct consequences on their personal income. Instead of a profession carefully regulated in the interest of public health, Kraus saw a "drug-racket that goes on in pharmacies with full sanction of the highest authorities."⁷⁸ As socialists had done before him, he pointed to pharmacies' rising prices in the 1890s to conclude that insurance was becoming, alongside the *Arzneitaxe*, another legally sanctioned way to assist pharmacists in "the exploitation of the poorest classes in our society."⁷⁹

⁷⁶ Leo Semis, owner of the pharmacy "Zur göttlichen Vorsehung" ("the godly providence") in Hütteldorf, had stood trial five years prior for adulterating drugs and defrauding health insurance funds. Berger also claimed that Semis was known to make inappropriate advances to his female clientele, so that many women refused to set foot in his pharmacy. See "Protestversammlung gegen einen Apotheker," *Arbeiterzeitung*, November 16, 1904, 5; Schacherl, *Die Geheimnisse der lateinischen Küche*, 7; and "Schwere Beschuldigungen gegen einen Apotheker," *Pharmaceutische Post* (1904), 673, 689.

⁷⁷ *Die Fackel* 91 (1902): 9.

⁷⁸ *Die Fackel* 104 (1902): 2–3. "Drug-racket" (*Medicamentenwucher*) was a phrase borrowed from the socialist press.

⁷⁹ Ibid. Kraus's intervention in the debate did not go unnoticed among pharmacists: see the article in *Pharmaceutische Post* (1902), 334, denouncing *Die Fackel* as a publication that "gave itself the sad task of tarnishing everything that shines, of besmirching well-respected personalities and of thriving on scandal." Other arguments in favor of the nationalization of pharmacy from outside socialist circles are discussed in "Verstaatlichung der Apotheker," *Zeitschrift des österreichischen Apotheker-Vereines* 41 (1903): 1170–71; and "Die Apothekerfrage," *Medizinische Blätter* (1903), 240.

Until after the war, the sympathy that socialist insurance funds garnered in public opinion brought them no closer to their goal of nationalizing pharmacy. The government had shown a willingness to side with insurance funds on the question of discounts, but not to take on apothecaries' privileges in any serious way. With the war, however, new possibilities arose. Austria depended on foreign companies for its drug supply and shortages in pharmacies quickly became acute. In 1915 Viennese authorities reached out to the city's pharmaceutical board in a vain effort to control the price of proprietary drugs. Too many pharmacists preferred to let the price of much-needed medicines soar to preserve their profit margins. On pharmacists' own admissions, this led to incessant complaints, and on occasion even assaults, from exasperated clients.⁸⁰ Public resentment toward the profession reached its peak in the immediate aftermath of the war, as shortages persisted and the great influenza epidemic brought the demand for, and the prices of, drugs to unprecedented levels.⁸¹

Contrary to what is suggested in a number of accounts of the Austrian Revolution, it was therefore no accident that pharmacy ended up at the forefront of Social Democrats' nationalization program once they assumed control of the government following the elections of February 1919.⁸² Otto Bauer, leader of the Party since Adler's death and chairman of the Socialization Commission, may have decided to defer the nationalization of mining and other heavy industries for strategic reasons. Pharmacy, on the other hand, lent itself uniquely well to the program of gradual, nonviolent socialization of the economy advocated in Austro-Marxism. The first concrete step in that program was the creation of the Austrian Pharmaceutical Manufacture (*Österreichische Heilmittelstelle*) on September 30, 1919. A revamping of the former Central Military Pharmacy (*Militär-Medikamenten-Direktion*), the *Heilmittelstelle* was given the mission of producing at the lowest possible cost essential therapeutic agents to cover the needs of hospitals, insurance funds, and the public. Its first products became available in early November. Initially, the catalog included only six such articles, including aspirin and quinine hydrochloride, but it expanded in later years through the addition of low-cost copies

⁸⁰ Hochberger, *Geschichte des Wiener Apotheker-Hauptgremiums*, 185–86.

⁸¹ Laurenz Widholz, Report sent on behalf of the Union of Vienna's Association Funds to the German-Austrian Public Health Office, November 26, 1918, in *Österreichisches Staatsarchiv, Archiv der Republik* (hereafter AdR), k. k. Ministerium und Staatsamt für soziale Fürsorge, 1232 ex 1918.

⁸² Rudolf Gerlich, *Die Gescheiterte Alternative: Sozialisierung in Österreich nach dem Ersten Weltkrieg* (Vienna, 1980), for instance, links the socialization of pharmacy to general socialist arguments about public health and state-financed medicine but makes no reference to Austrian socialists' critical understanding of the specificities of drugs as commodities.

of other commonly prescribed drugs.⁸³ The Heilmittelstelle—alongside the Unified Leather and Shoe Industries and the Styrian Motorworks, the other early achievements of Bauer's commission—illustrated the process of piecemeal socialization. It proceeded not through violent expropriation of existing companies, but rather through the creation of a public and democratically managed institution whose development would eventually abolish the need for both private pharmacies and a proprietary drug industry.⁸⁴

The same philosophy inspired plans to nationalize pharmacies themselves. Julius Tandler, professor of public health at the University of Vienna and director of the new republic's public health office, prepared a bill that gave the government rights of preemption on the purchase of any pharmacy or pharmacy concession from a retiring or deceased owner before it was allowed to return onto the market. Tandler kept pharmacists at arm's length throughout the drafting stages of the bill and ignored their objections once the government had made its plans known in May 1920. Although a moderate within the Party, Tandler shared fellow socialists' views on the pharmaceutical profession: "Since long before the war, pharmacy owners have counted among the worst exploiters. Most of them took advantage of the war to accumulate enormous wealth. . . . How much pharmacists are prospering should be obvious from the market for pharmacy concessions. The increases in the price of these priceless commodities defy the imagination; nowadays, they fetch in the hundreds of thousands, even millions, of Krone."⁸⁵ In the end, it was not political will that was lacking, but political opportunity. In order to complete the replacement of private pharmacies with public drug dispensaries, governments would have had to exercise the rights of preemption granted in Tandler's bill over the span of a full generation. This presupposed a long-term commitment of the state to the nationalization of the medical economy. As early as October 1920, however, socialists lost their majority in parliament. Tandler stepped down from his cabinet position to serve as director of the public health department of the city of Vienna, whose government remained in socialist hands throughout the 1920s and early 1930s. Although his influence as the architect of Red Vienna's welfare policy was considerable, he had lost all power over national pharmaceutical policy even before his bill came up for a vote. In this way, pharmacy also

⁸³ Österreichische Heilmittelstelle Gemeinwirtschaftliche Anstalt, "Bericht der Geschäftsleitung über das erste Geschäftsjahr 1920," AdR, Staatsarchiv des Innern und der Justiz, Bundeskanzleramt, Sozialisierungskommission, Box 27.

⁸⁴ Otto Bauer, *Die Sozialisationsaktion im ersten Jahre der Republik* (Vienna, 1919), 12ff.; Wilhelm Ellenbogen, *Sozialisierung in Österreich* (Vienna, 1921), 22; and *Mitteilungen des Volksgesundheitsamtes für das Jahr 1920* (Vienna, 1921), 624–25. See also Gerlich, *Die Gescheiterte Alternative*, 299ff.

⁸⁵ Cited in Karl Sablik, *Julius Tandler: Mediziner und Sozialreformer* (Vienna, 1983), 181.

exposed some of the political limits of Austro-Marxism's commitment to gradual reform within the constraints of parliamentary democracy.

CONCLUSION

Following the failure to nationalize pharmacy, the economy of health care in Austria assumed the physiognomy it would eventually take on in most of the welfare states of continental Europe—one in which the demand for medical goods and services was collectively funded while their production and provision remained largely in private hands. This arrangement, combining socialized demand with private supply, was to prove conducive to a steady expansion of pharmaceutical consumption throughout the twentieth century and down to the present moment. Even in socialist Vienna, which under Tandler's leadership invested vast resources in public health programs, the ideal of a rational pharmaceutical dispensation remained elusive. After the merger of Vienna's socialist insurance funds in the aftermath of the war, Vienna's Workers Insurance Fund (*Arbeiter-Krankenversicherungskasse*) grew to include 450,000 members, making it one of the largest institutions of its kind in interwar Europe. And yet, year after year the reports of this powerful organization continued to reveal its powerlessness in the face of "the ineradicable belief in the magic effects of drugs."⁸⁶ By the early 1930s, when these concerns reached their greatest intensity as a result of the Great Depression, the only solution envisaged to control the cost of drugs was a stricter surveillance of physicians and patients. While the influence of the intense marketing of drugs both to the public and to medical professionals continued to be acknowledged, the administrators of socialist insurance funds had abandoned the ambition to reshape the conditions in which drugs and information about drugs were made and marketed. The goal was no longer a revolution in the ways drugs were produced and promoted but only a rather ineffectual reform of the ways they were prescribed and paid for.⁸⁷

Meanwhile, a new chapter opened in the history of pharmacotherapy. The introduction of the first sulfa drugs in the mid-1930s, followed by penicillin during World War II, initiated an era of breakthroughs in the treatment of disease that transformed the structures of pharmaceutical research and regulation.⁸⁸ In most of Europe, these shifts occurred in the context of a vast expansion of compulsory

⁸⁶ *Bericht der Arbeiter-Krankenversicherungskasse für das Jahr 1929*, 48. The *Bericht der Arbeiter-Krankenversicherungskasse für das Jahr 1931*, 100, spoke also of the "deeply engrained pharmaceutical superstition and ensuing appetite for drugs." A collection of these reports from 1929 to 1938 is preserved in AdR, 03/Soziales, Aktenmaterial der Wiener Gebietskrankenkasse, Box 6.

⁸⁷ *Bericht für das Jahr 1930*, 88; and *Bericht für das Jahr 1931*, 99–100.

⁸⁸ These changes are charted, for example, in John Lesch, *The First Miracle Drugs: How the Sulfa Drugs Transformed Medicine* (Oxford, 2007); and Robert Bud, *Penicillin:*

health insurance as well as of new rules banning direct-to-consumer advertising of prescription drugs. The architecture of our present regimes of pharmaceutical governance, in which patients rely on physicians to decide which drugs to trust and consume while the medical profession depends in important yet largely hidden ways on the pharmaceutical industry for its information about drugs, took shape in that period. Within these arrangements, the pharmaceutical industry enjoyed an unprecedented degree of public trust in the postwar era. In the broad consensus that formed around the pharmaceuticalization of health care, the steady rise in pharmaceutical consumption appeared justified on scientific grounds rather than driven by superstitions. If anything, it was the critique of drugs that was cast as irrational or superstitious. Conversely, it is the gradual erosion of that public trust since the end of the previous century that has allowed the formative decades of the proprietary drug industry to emerge in a new light. Instead of a past we have left behind entirely, it comes across increasingly as a period bearing intriguing similarities to our own unsettled pharmaceutical present, and one to look toward as we are forced to rethink how we govern the economy of medical goods at a time of rapid changes in media ecologies and state structures.

Triumph and Tragedy (Oxford, 2007). See also Arthur Daemmrich, *Pharmacopolitics: Drug Regulation in the United States and Germany* (Chapel Hill, NC, 2004).