Numerous complaints have been received from Florida regarding doctors having switched to doing their own dispensing and of maintaining high prices for glasses. One optical house makes the following observation, which is typical:

> . . . it was generally agreed in most sections of Florida [when the judgments went into effect] . . . that the prices of glasses would be reduced by the optician, and the Doctor would increase his refraction fee, thus enabling him to be compensated for the lack of rebate.
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> These two practices were put into effect. However, the low price of glasses was short-lived. Today the user of glasses is generally paying more over-all for a pair of glasses than prior to the discontinuance of rebate. Secondly, with the Doctors rapidly setting up the practice of selling and dispensing glasses in his own office, a monopoly is created as far as the patient is concerned.

In areas where a large percentage of the doctors have turned to the system of doing their own dispensing, their patients appear to have considerably less hope of obtaining the price reduction on glasses made possible through the elimination of the rebate system than is the case of patients in areas where doctors do not generally do their own dispensing. Most doctors who have turned to doing their own dispensing probably have no great incentive to reduce prices, because of the pecuniary interest which they have in the sale of glasses. Furthermore, the dispensing houses in such areas may have difficulty in either reducing prices or in keeping price reductions in effect if the flow of prescription patients to these houses is blocked at the source—the doctor's office.

It must not be assumed, however, that price competition is entirely lacking among the oculists in those areas where they do their own dispensing. These oculists purchase their completed spectacles from wholesalers who make up the glasses to prescription and sell them to the doctor at the Rx or wholesale price. The doctor is then faced with the problem of determining what the mark-up on these glasses is to be in reselling them to the patients. In a majority of instances, the doctors report that they charge the prevailing retail price, but some report that they use mark-ups which result in a price which is less than that which prevailed under the rebate system. Furthermore, the doctor who does his own dispensing tends to place himself in more direct competition with the optometrist who invariably dispenses to his patient but does not usually make a separate charge for the refraction service.

In some cases, doctors have turned to doing their own dispensing because they resented the fact that local dispensing houses did *not* reduce consumer prices when the rebates were eliminated. This is of course a danger which dispensing houses necessarily run if they do not reduce consumer prices to reflect the saving which is theirs through not having to pay debates on their prescription sales.

What can be accomplished when doctors restrict themselves to professional practice and dispensing houses pass to consumers the benefits derived from the elimination of the rebate is illustrated by the reports received from such places as a large city in Minnesota and a large one in Missouri. In these cities, the reports show that most, if not all, of the dispensing houses put substantial price reductions into effect almost simultaneously with the entry of the judgments. They have been able to continue making prescription sales to patients at the lower price level because almost none of the local doctors have turned to doing their own dispensing. With the volume of prescription business going to the dispensing houses remaining unimpaired, the elimination of the rebate has enabled them to continue to sell at lower prices notwithstanding the increases which have occurred in material prices, labor, and other costs of operation during the past few years.

In Chicago, reports have been received concerning a considerable number of responsible dispensing houses which put substantial price reductions into effect on their prescription sales to patients when the judgments went into effect. Relatively few doctors here have switched to doing their own dispensing during this period, complaints of violation of the judgments have been negligible, and there is little or no evidence of use of either the "charge and send" plan or of the group doctor ownership of dispensing houses. Patients of oculists in the Chicago