

Mr. COFFIN: Yes, I think it is because we do not honestly feel, except in a dispensary that has a pretty fair turn-over, they ought to have bulk bottles of some of those products because of the short stability. We try to encourage the sale of the smaller bottle for safety reasons rather than economy.

Mr. BRAND: Do you suggest to the pharmacists the price they should charge?

Mr. COFFIN: We have a suggested list on all of our products, or most all of them—any that might be used in a unit we do—we do not always have a suggested price for the bulk packages. This is a suggested list; we have no way of controlling whether or not he uses it—and in most cases I do not think he does. However, we have done many surveys with pharmacists to see what their reaction would be if we dropped this and the vast majority of pharmacists have asked us to leave it on as a guide.

Mr. FROSST: Until such time as they all use a cost plus method there will be a need for us to carry a suggested list, but after that it will not be necessary.

Mr. BRAND: What do you suppose a cost plus method of pricing would do to the cost of your 55 cent item?

Mr. COFFIN: Well I am thinking of 222's and I question whether or not that one would be prescribed.

Mr. BRAND: 292's then. If you go on a cost plus, where you take the wholesale cost plus a percentage—

Mr. FROSST: Our cost to them plus, yes.

Mr. BRAND: —do you think this would increase the cost of a dozen 292's?

Mr. FROSST: I do not know what dispensing fee they are going to settle on as adequate to cover their professional charges, so I cannot answer that.

Mr. BRAND: Well let us say then, for example, that the dispensary fee is \$2. What would be the approximate wholesale cost of twelve 292's?

Mr. FROSST: I do not think that anybody at present is getting, say, \$2.25 for a dozen 292's.

Mr. BRAND: That was one of the suggested ones in the brief from the druggists, and that is the only reason I mention it.

Mr. COFFIN: This cost plus for products that are of a low range will tend to increase the prescription price of cheaper products and reduce the price of higher priced ones. Now whether this is desirable or not is really not in our field.

Mr. BRAND: I think it is in your field to say whether you sell mostly drugs which are in the low cost field or in the high cost field.

Mr. FROSST: In the low cost field. Our average return per package is less than a dollar.

Mr. BRAND: Thank you very much.

Mr. HOWE (*Hamilton South*): There are some drug stores that have taken the obvious dividing line of \$5 on items over \$5 sold on a cost plus \$2 per prescription basis and left the drugs below that at their present price and have managed to succeed in doing this, which has simply lowered the price of the higher priced drugs and left the others where they are.