

Mr. FROSST: Let me say, first of all, the 222's are a large proportion of the O.T.C. segment and they cannot be advertised by law, so a large proportion of promotion for them has to fall on the prescription items, our only method of promotion—and this is always difficult for us to relate—is to detail our analgesic line, the 292's and the 282's, and so on, to physicians along with 222's in the hope that he will recommend 222's for somebody to take before he gets over to the house to visit them if they have a cold, and then by word of mouth. There is no other way to promote. We are not allowed to promote 222's.

Mr. MACLEAN (*Queens*): Have you any public relations studies which would give you any clue to when you reach consumer resistance on price, and is there a tendency to reach a consumer resistance sooner in the categories of drugs which are prescribed? I think, as with most commodities, the consumer has some peculiar idea that he wants to get his necessities cheaply enough so that he can splurge on the things in which he has a choice. It would seem to me that if you raised the cost of over the counter drugs by, say, 10 per cent you would probably get less consumer resistance than you would if prescription drugs went up by that amount. Is there any basis for such an assumption?

Mr. FROSST: We have not done a survey per se. We set our prices at what we think are competitive in the O.T.C. items. I would be careful about raising O.T.C. prices in certain areas without a survey.

Mr. COFFIN: About the only concrete thing I might tell you, Mr. MacLean, is that we reduced the price a couple of years ago of one of our vitamin preparations, which is a sort of combination prescription-O.T.C. product, and the sales immediately dropped off. We were trying it out to see if it would have a beneficial effect on our sales, but it did not.

Mr. MACLEAN (*Queens*): This was a non-prescription drug?

Mr. COFFIN: That is right. However, it is very widely recommended by doctors.

Mr. FROSST: I think it is very difficult to speak of this as a strictly O.T.C. item. We hoped in this particular case the physician would recommend it oftener, but vitamins are not as price sensitive as other drugs. What Mr. Coffin says is true, we took as much as 30 per cent off the price and that is what we lost in sales. We have been going down ever since. We reduced our sampling.

Mr. MACLEAN (*Queens*): Well, as a consumer of drugs, I think the average person going into a drugstore to buy something over the counter will assume that the price is what they want to pay and they will buy it. But if they go to the drugstore to have a prescription filled, and they find usually that the price is higher than they expected, whether it is or not, there is a tendency, I think, to resist the price because it is something they have been told to get. They have no choice in the matter, or little choice in the matter.

Mr. FROSST: I agree.

The CHAIRMAN: Gentlemen, before I pass to Mr. Mackasey, do you agree that we should print today's brief as part of today's proceedings?

Some hon. MEMBERS: Agreed.

Mr. MACKASEY: I think Dr. Isabelle wants to ask a short supplementary first.