Mr. NICHOLSON: Should he not report it to you?

Dr. MORRELL: No, he does not report it to us.

Mr. NICHOLSON: This involves an article in the medical journal or a report to the manufacturer?

Dr. MORRELL: Yes.

Mr. MONTEITH: Mr. Chairman, I should like to correct one statement which may have been somewhat misleading. I think Doctor Morrell mentioned that 30 per cent of drugs were found defective in some minor form or another. Actually this should be 30 per cent of a selected list of drugs in respect of which there was some general thought that something could be wrong, or there was some suspicion about the drug, is that not right?

Dr. MORRELL: Yes.

Mr. MONTEITH: It was not 30 per cent of all drugs that were found to be in this category, but 30 per cent of a selected list in respect of which there was some suspicion.

Dr. MORRELL: I would hope, Mr. Chairman, that I made that clear but apparently I did not. I said that these drugs were selected for particular reasons. We did not take the drugs off the market without having some particular suspicion or some real reason for thinking that enforcement was needed in this area. I pointed out that some of these defects were minor ones, and many were minor ones, so that the impression should not be given that 30 per cent of all drugs in Canada are defective because they are not. These were selected, as I say, with care, in order to make the most use of our man power.

Mr. MONTEITH: It was 30 per cent of that selected group that were found defective in some minor ways?

Dr. MORRELL: Yes.

Mr. HAIDASZ: Mr. Chairman, I should like to direct another question to Doctor Morrell. Leaving the topic of qualified investigators, the next individuals down the line I presume are the distributors. What are the present regulations in force which are imposed on distributors and manufacturers? In other words, do they have to be licensed? Do you have to know who they are, or do they have to obtain a permit from your department? How are they allowed to carry on their business in this country?

Dr. MORRELL: Are you referring to these people in a commercial sense, Doctor Haidasz?

Mr. HAIDASZ: Yes.

Dr. MORRELL: They do not have to notify us in general. They are not licensed in general. Licences are required for certain groups of drugs which are listed in schedules C and D of the Food and Drugs Act. In addition, licences are required for the manufacture, importation and distribution of controlled drugs and by controlled drugs I mean drugs containing amphetamine or barbiturates, which we have in schedule G, some of the hormones, and schedule D which includes injectable antibiotics, vaccines and serums. No one may sell a drug of that type in Canada unless he has been licensed to manufacture them for sale here. This licence is granted under the Food and Drugs Act following an inspection of the manufacturers' premise, a study of the facilities, and when the manufacturer is licensed, the first batch or several batches are released only after repeated tests are carried out in departmental laboratories.

In respect to schedule G drugs, and these were ones that were implicated in the goof-ball sales in the illicit market; since September, 1961, to deal in these, to import or to export, one must have a licence under the Food and Drugs Act.