

hoped that agreement can be reached on guidelines for planning the delivery of total health services during the next decade; determining the numbers and quality of health manpower required for these services; and planning the education of the required manpower.

CLOSING OF POST OFFICE SAVINGS BANK

Since Postmaster-General Eric Kierans announced last August that the Post Office Savings Bank would be closed on December 31, 1969, 34,000 accounts totalling \$11 million, have been closed, leaving some 256,000 accounts, worth \$6 million, still unclaimed. This amount may be reduced to \$4.5 million by January 1, 1970, at which time accounts of less than \$25 that have been inactive for 30 years or more will revert to the Crown and will not be recoverable. Accounts of \$25 and over will be held in perpetuity for the rightful owners but no interest will be earned after December 31, 1969.

The Post Office Savings Bank was inaugurated over 100 years ago on April 1, 1868, to encourage savings by people of low and medium incomes. Since then, Canadians from every walk of life have used the Bank and the balances on deposit increased from \$205,000 in 1868 to a record \$47,564,000 in 1908, then decreased to \$17,293,000 last August, when the decision was made to phase out the Savings Bank. As Mr. Kierans stated last year, the expanded services provided by other financial institutions had made the continued operation of the Post Office Savings Bank economically unjustifiable. During the Second World War a staff of 250 was required to process the accounts. As business decreased and automation was introduced, the staff declined to the present establishment of 20.

LOWER DRUG PRICES PRESCRIBED

A new law designed to lower prescription-drug prices received royal assent recently and Consumer and Corporate Affairs Minister Ron Basford said that the Government was continuing its fight against high drug costs.

Describing the Act as one part of the Government's five-point program to reduce prescription-drug prices, Mr. Basford said the next step in the continuing fight against high drug costs was consultation with the provinces on how to cut drug costs at the retail level.

The Minister noted that, under the Patent Act, the owner of a new drug patent has exclusive production rights for 17 years. Under the Patent Act, with the amendments just approved, the Commissioner of Patents may give a licence to others to import as well as manufacture or sell the patented drug and, in this way, break the 17-year monopoly that the patent-holder has.

The purpose of the amendments is to create more competition in the pharmaceutical industry. By

allowing others to import, manufacture or sell patented drugs in competition with the patent-holder, it is expected that those now selling high-priced drugs will be forced to reduce their prices in the face of sharper competition. If no appreciable reduction occurs, others will be encouraged to supply consumers with less expensive substitutes.

The Government has already removed the 12 percent federal sales tax on drugs, reduced the tariff and made it easier to import some drugs without encountering a dumping duty. Parliament last year approved the Pharmaceutical Industry Development Assistance Program (PIDA) to make loans to small, Canadian-owned drug companies to put them in a stronger position to take advantage of the Patent Act amendments and to produce and market less expensive prescription drugs.

The fifth step in the Government's program is the development of an information service relating to the prices and characteristics of drugs for the use of doctors so that they may prescribe less expensive prescription drugs. Mr. John Munro, Minister of National Health and Welfare, expects this service to be available to doctors in the autumn.

EXPENDITURE GUIDE-LINES

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time, they were also designed to recognize this Government's emerging set of priorities. For example, defence spending is frozen at \$1.8 billion for the next three years, but spending on programs related to the new Department of Regional Economic Expansion will get more money. Social programs for the disadvantaged people of our country will get more. For example, economic programs for the development of slow-growth areas, low-income housing, Indians and Eskimos assistance, will continue to get more money; but such functions as transportation and communications and general government services will have to be performed under severe budgetary limits.

The guide-line that is of greatest significance in the preparation to the 1970-1971 estimates is the one that freezes 1970-1971 expenditures at 1969-1970 dollar-levels. This guide-line governs all programs and activities that have not been specifically dealt with by the governments in the other guide-lines. Throughout these areas of the federal apparatus, all cost increases — including increases for salaries — must be made within the limit imposed by the 1969-1970 dollar-level. This will mean a sharp reduction in the size of the federal public service because most departments — in order to meet salary increases — will have to cut the size of their staffs in 1970-1971 to stay within the 1969-1970 dollar-limit.

In this year's estimates the Government reduced authorized employment levels in the Public Service by about 9,000.

I am announcing tonight that the Government has decided that more than 10,000 authorized positions