

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been adopted.

HEALTH—ALLEGED FAILURE OF PRODUCTS OF CONNAUGHT LABORATORIES TO MEET STANDARDS—GOVERNMENT ACTION

Mr. P. B. Rynard (Simcoe North): Madam Speaker, on February 27, 1975, I asked the Minister of National Health and Welfare (Mr. Lalonde) whether he was aware of the situation which had developed at Connaught Laboratories which had been found in breach of regulations in respect to packaging and product stability. This came to light in January, 1973, and when the inspectors from the food and drug branch of the department returned one year later, nothing had been done. In fact the situation had become worse.

In February, 1974, the chairman of the drug board drew to the attention of Dr. R. J. Wilson, Chairman of Connaught, that there had been violations in connection with the testing of the finished products and in quality control, and that none of the other breaches had been corrected. I want to know why these breaches had not been corrected in the space of an entire year. This is of vital concern to the people of Canada as this is their investment. Connaught is a subsidiary of the Canada Development Corporation, which the people of Canada own, and they have a right to expect proper management as a business proposition.

● (2200)

It goes a little deeper than that, however. Connaught Laboratories is a memorial to the great work done at the University of Toronto by Drs. Banting and Best in the discovery of insulin. Canada at that time had a population of ten million. They produced insulin and saved the lives of many diabetics previously doomed to death, putting Canada in the forefront of the scientific world and giving hope to thousands of diabetics that they could lead useful lives.

Over the years they set a standard of quality unexcelled in any country of the world. No one ever had to question this institution as to the quality of its work or its prices. Connaught Laboratories operated with a research grant of about \$80,000 per year, and had an annual endowment income of around \$400,000.

When the people of this country bought Connaught Laboratories, which through legislation became a subsidiary of the Canada Development Corporation, it was able to receive yearly \$1,228,000 in grants from the Department of Industry, Trade and Commerce. Connaught Laboratories made its reputation and financed itself by keeping the quality of its products as a standard for all the world, and its prices were the envy of the world. Connaught has not been able to maintain this quality or even to keep its prices competitive. Connaught's insulin became higher priced than others.

Adjournment Debate

Let me give the House a comparison of some Canadian and U.S. prices. Regular insulin, 100 units, sold for \$2.03 under Connaught; \$2.12 under Squibb; Lilly sold for \$2.20. NPH, 100 units, Connaught sold for \$2.70; Squibb for \$2.42; Lilly for \$2.52. Both the latter are United States firms. Protamine zinc sold for \$2.63 Connaught; Squibb sold for \$2.42; Lilly sold for \$2.52. Semi Lente, Connaught \$2.93; Squibb, \$2.42; Lilly \$2.52. There is a difference of 51 cents there. Ultra Lente, Connaught \$2.93; Squibb \$2.42; Lilly \$2.52.

These are quoted prices as at the present date, and it is an indication of what is occurring in a field that had been previously held solely by Connaught Laboratories. In 1973 Connaught was making adrenalin which is used for shock and allergies, but since the Food and Drug Directorate described their facilities as not being up to standard, instead of bringing them up to standard Connaught discontinued the line entirely, even though it was not made in Canada. It was also pointed out that Sabin polio vaccine was made in a facility not up to the standards set by Great Britain or the United States. Why was this not corrected so that the market could again be captured? It has been reported that vaccines of doubtful standard were sold to the province of Ontario and that this was under investigation. What were the results of this investigation?

All in all, instead of correcting the problems and improving quality and marketability, Connaught has discontinued several lines, one of them Pam Penicillin. This was a one dose shot used very successfully, in the treatment of venereal disease, and this discontinuance was very disappointing to the many people who had supported Connaught Laboratories over the years.

I am not going to go into the mistakes that have reportedly been made in labelling, particularly of smallpox vaccine, which in many cases gave very serious reactions. The same smallpox vaccine was sold to Bangladesh, and through mishandling or mismanagement did not give the desired results. Unquestionably some people may have lost their lives over the error.

Connaught dropped several of its drugs to correct its financial picture, and it also let 75 employees go. It even considered selling 583 acres of land belonging to Connaught Laboratories. In spite of the galloping increases in their prices, domestic sales, which are almost captive with governments being the big buyers, remained static, and they failed to meet world competition where international markets are much larger.

Connaught has been repeatedly warned by its own people, by the senior medical research and senior executives, that the facilities had to be upgraded and their quality control brought up to standard if they were to be competitive. Why was this not done? One of its vice presidents stated that over \$300,000 was needed immediately to improve and renovate the plant to comply with the regulations.

The Acting Speaker (Mrs. Morin): Order, please.

Mr. Rynard: None of this was forthcoming. Now I understand that the president of CDC has stated that Connaught can have the necessary funds, up to \$10 million if necessary, to bring the place up to standard.

The Acting Speaker (Mrs. Morin): Order, please. I am sorry to interrupt the hon. gentleman—