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## HIGH-QUALITY DRUGS AT CHEAPER PRICES

*The Minister of National Health and Welfare, Mr. John Munro, recently tabled in the House of Commons a document proposing changes in the drug-quality assurance program which, besides expanding the present operations, will reduce the price of drugs to the public. An additional \$2,355,000 a year will be required to meet the cost of the new proposals.*

*Mr. Munro's statement follows:*

...As is well known, the Food and Drug Directorate of my Department has had for many years programs related to drug analysis and inspection. The new program will, however, permit significant expansion of our efforts in these areas. Some information related to drug analysis and costs now is being made available to the health professions on a regular basis by means of the *RX Bulletin*, our drug information journal, published by the Food and Drug Directorate.

The Government of Canada is committed to the

objective of reducing drug costs, and Ministers have indicated on numerous occasions the Government's intention to initiate additional programs to attain this objective. The provinces also are deeply interested, since they are large-scale purchasers of drugs for mental hospitals, homes for the aged and public health units. At least some provinces are interested in extending bulk drug purchases to cover general hospitals. The Federal Government as well is a major purchaser of drugs through the Department of National Defence and the Medical Services Branch of the Department of National Health and Welfare.

I am fully aware of the fact that many physicians and pharmacists are reluctant to prescribe and dispense generic or other lower-cost drugs, unless they can be assured that low-cost drugs are of acceptable quality. Any program aimed at reducing drug costs must, therefore, recognize the need to provide objective information on drug-quality to the professions of medicine and pharmacy.

Although retail sales of prescription drugs amounted to over \$271 million in 1970, relatively few drugs accounted for the bulk of sales. In one survey, it was found that in 1969 the top 80 drugs accounted for 55 per cent of total sales.

The new monitoring program will enhance our ability to realize the aims and objectives of the four principal elements of our program: analysis, inspection of manufacturing facilities, assessment of efficacy, and publication of results.

### ANALYSIS

In the analytical program, each specimen will be analyzed for identity, potency, content uniformity, weight variation, and disintegration time. Most of the analyses will be conducted in the drug-quality monitoring laboratory located in the Toronto Regional Laboratory of the Food and Drug Directorate. This laboratory is being specially set up and equipped to conduct large-scale analyses of drug products, using

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automated methods. All products of 25 drug entities, that is 25 chemicals that are used in an estimated 1,025 products, can be analyzed in 1971. It is planned to analyze the balance of the top 80 drug entities during 1972, and to finish analysis of the top 200 drug entities in 1973. After 1973, it is proposed to analyze all brands of 80 to 100 drug entities each year, with others in the top 200 as required. The analyses will be conducted in sufficient detail to provide information on inter-lot variability, a measure of a manufacturer's capability to produce uniform products. When the program is fully operational, nearly 90,000 separate analyses a year will be achieved. This systematic monitoring program will be carried out in addition to our present surveillance activities.

Drugs selected for analysis and for the other aspects of the quality-assurance program will be chosen on the basis of sales volume, their medical use, the precision of dosage required, and the known risk of contaminants in the product. The cost of the analytical portion of the program will amount to \$800,000 a year.

#### INSPECTION OF FACILITIES

Currently, each of the 104 firms manufacturing and distributing drugs in Canada is inspected by FDD staff on the average of once every three years. By 1973, the inspection rate will be increased to once every year. In addition, an intensive review will be initiated of other indicators of manufacturing capability, including documents relating to master formulae, manufacturing and packaging orders and stability data. From these data, plus information on drug recalls, warnings, prosecutions, seizures and complaints, a guide will be provided to prospective purchasers of drugs. The additional cost of the inspection component of the program is estimated at \$330,000 a year.

#### ASSESSMENT OF EFFICACY

Some of the claims made for some drug products on the Canadian market, particularly those which have been on the market for a considerable length of time, should be reviewed. By 1975, acceptable claims will be established for 80 selected drug entities, that is, 80 chemicals which are used in an estimated 1,600 drug products. This project will utilize FDD staff physicians and scientists in conjunction with panels of expert consultants. Where possible, the results of the United States drug efficacy studies will be utilized. The major study in the United States was carried out by expert panels established by the National Academy of Sciences-National Research Council in Washington.

Clinical equivalency of competing brands of the same drug entity is a matter of great practical significance to the practising physician. It is usually not possible to compare clinical equivalency directly, but an indirect measure is provided by measurements

of the drug in blood, urine and other body fluids after dosing human volunteers. These so-called bio-availability studies are difficult, costly and time-consuming, and priorities must be set to determine those drugs which should be studied. These include: the medical use for the drug, precision of dosage required, availability of acceptable analytical methodology to detect the drug in body fluids, and solubility of the drug. The bio-availability studies are more difficult since they require human volunteers who are given the drug and then samples of body fluids are taken at regular intervals over a period of many hours. It is not possible to speed up this type of testing by introducing automated methods, as it is with the chemical procedures. Current investigations will be expanded to permit assessment of the bio-availability of 225 drug products (approximately 12 drug entities) each year. It will be necessary to continue work in this area for several years, because of the necessarily slow rate of progress expected. Substantial gains in the area of assessment of acceptable claims for drug entities should be achieved by 1975, and it is expected this portion of the program can then be terminated. The annual cost of the efficacy part of the program is considered to be an additional \$775,000 (\$425,000 for assessment of claims and \$350,000 for assessment of clinical equivalency).

\* \* \*

The need to continually review and up-date price data will be the responsibility of the Department of Consumer and Corporate Affairs. Resources are required to develop an efficient data storage and retrieval program. It is estimated that the program of price data collection will cost approximately \$100,000 annually. The FDD component in the publication program is estimated to cost \$350,000 the first full year.

It is anticipated that approximately 130 additional employees, including physicians, chemists, technicians and other support staff across Canada will be required to carry out the new program....

#### CZECHOSLOVAK VISITORS

A Czechoslovak technological delegation, headed by Ing. Jan Gabel, First Vice-Minister of the Czechoslovak Federal Ministry of Technology and Investments, arrived in Canada on May 24 for a 17-day visit at the invitation of Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce. The delegation's broad interests covered a number of diverse fields. The visit reflected the desire of both countries to exchange information on the application of advanced technology and modern management techniques in government and industry.

The guests had discussions with federal officials as well as those from the provinces of Ontario and Quebec. The delegation also visited a number of public and private companies in those two provinces.

## B.C. CENTENNIAL ROYAL TOUR

*Arriving for a ten-day visit to British Columbia last month, Queen Elizabeth, Prince Philip and Princess Anne are greeted at Vancouver airport by Governor-General and Mrs. Michener and Prime Minister and Mrs. Trudeau.*

*B.C. had invited the Royal Family to take part in celebrating its hundredth anniversary as a Canadian province. Prince Charles, in training with the Royal Air Force, was unable to make the tour, which covered a distance in the province of some 4,000 miles.*



### CANADA-SOVIET SCIENCE WORKING GROUPS

The first meeting of a working group set up to implement the Canada-U.S.S.R. Agreement on the Industrial Application of Science and Technology will be held in Ottawa this month, Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, announced recently. The meeting of the Architecture, Construction and Building Materials Group will coincide with a visit to Canada by a mission of Soviet construction specialists.

"Six working groups have been established as a result of the agreement we signed in Moscow in January, and I am most pleased with co-operation we have received from other Government departments and industry in getting down to work so quickly," Mr. Pepin said. The six groups are architecture, construction and building materials; forest-based industry; non-ferrous metals industry; electrical power industry; oil industry and gas industry.

"Although no dates have been set for meetings of other groups, we expect they will be getting together during the summer. In some instances the Canadian group will go to Moscow and in others the Soviet group will come to Canada," Mr. Pepin added.

The Minister said he expected that increased trade between the two countries will be one of the results of the consultations of the working groups. "We have already determined that there is much of interest to us in the Soviet Union and that Canada has many goods and services of interest to the U.S.S.R."

### NAC IN THE BLACK

G. Hamilton Southam, Director General of the National Arts Centre (NAC), stated recently that in its first 22 months of operation (June 1969 to March 1971) the NAC had maintained a capacity of 72.6 per cent.

Appearing before the House of Commons Standing Committee on Broadcasting, Films and Assistance to the Arts, Mr. Southam presented three appendices drawn from the 1969-70 annual report of the Centre that gave a breakdown of the Centre's activities, and updated this information with figures drawn from the unaudited 1970-71 statement.

Since its opening, Mr. Southam said, an average of 45,000 tickets a month had been sold at the Centre, either by the NAC itself or by impresarios renting its facilities. This represents, for the Centre's activities (excluding those of impresarios), an average gross of \$100,000.

In 1969-70 the NAC's total expenditure was \$4.5 million, and its income less than half this amount at \$1,900,000. The unaudited statement for the second year, Mr. Southam told the Committee, showed that, though expenditures increased to \$5,400,000, more than half the amount (\$3,200,000) was covered by earned income.

Mr. Southam pointed out that, while in 1969-70 "the Centre's program expenses were \$2,200,000 (and therefore not quite covered by the \$1,900,000 income), for 1970-71 program expenses of \$2,800,000 were more than covered by the income of \$3,200,000".

In effect, he said, the Centre is earning what is required to cover its program expenses. The federal appropriation can therefore be said to cover the maintenance costs of the building and administrative salaries.

### LOCOMOTIVES TO YUGOSLAVIA

A letter of intent to purchase, by leasing, 20 diesel electric locomotives and components has been received by MLW Industries Ltd. of Montreal from ZTP Belgrade Railways Yugoslavia, Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, announced recently. "This is the first time we have had a lease-purchase agreement of this nature with Yugoslavia," Mr. Pepin said. "Under the contract, title to the locomotives will stay with MLW Worthington Ltd., parent company of MLW Industries Ltd., until payment is complete. At that time, title will be transferred to ZTP Belgrade."

The value of the contract is \$8 million and some 1,400 man-years of work will be provided for Canadian workers, according to MLW Industries President Robert L. Grassby.

"Six hundred Canadian-supplier companies will share in the contract as Canadian content of the locomotives will be more than 80 per cent," Mr. Grassby said. He added that his company is supplying machinery that will make it possible for Canadian content to be even higher on future orders.

"We are spending half a million dollars on capital equipment to make turbo-chargers in Canada and our long-range policy is to aim for 100 percent Canadian content," Mr. Grassby added.

### MAPLE LEAF SUMMER STAMP

Twenty-six million stamps depicting the maple leaf in summer will be issued by the Canada Post Office on June 16. The six-cent stamp, 24 mm by 40 mm, is being printed in a process of five-colour lithography by Ashton-Potter Limited of Toronto.

This is the second of four special stamps designed by Alma Duncan of Galetta, Ontario, for the series "Maple Leaf in Four Seasons". The design of the stamp shows a fledgling maple plant sprouting from the brown earth and bearing two bright green leaves.



### GRANT TO WORLD MEDICAL ASSEMBLY

The Minister of National Health and Welfare, Mr. John Munro recently announced a \$10,000-grant to the Canadian Medical Association to help finance the twenty-fifth World Medical Assembly being organized by the Canadian Medical Association. It is expected that 1,000 physicians from 62 member nations will attend the assembly in Ottawa from September 12 to 19.

In announcing the grant, Mr. Munro noted the importance of international discussions of health and medical problems. "Many of the subjects to be discussed at the Assembly are of particular interest to Canadian doctors. I am sure that all participants will benefit from the exchange of information and experience," he said.

The main items on the agenda will include the role of physician associates in the provision of primary health services (the subject of a national conference recently sponsored by the Department of National Health and Welfare) and the use of psychotropic agents today.

### THE ART OF ORGAN-BUILDING

Ever since 1925, Quebec's name has been carried on Casavant organs from the West Indies to Japan, and from the Equator to South Africa. In fact, as early as 1834, Joseph Casavant, who had given up his blacksmith trade at the age of 27 to begin his classical studies, read *L'art du facteur d'orgue* (The organ-builder's art) written by Dom François Bedos de Celles, a Benedictine monk, which encouraged him to turn his hand to this difficult art. An organ factory was built at Saint-Hyacinthe in 1879 by Casavant's sons Claver and Samuel.

The Casavant firm was incorporated with capital shares in 1919. Today, it delivers an average of 50



*Casavant organ pipes are still made by hand as they were in the eighteenth century.*

organs annually for a turnover of \$3 million, and employs 250 craftsmen.

The Casavant brothers perfected in 1885 the adjustable combination pedal, and in 1892 they installed the first organ equipped with an effective electro-pneumatic traction. They have built organs for the Cathedral of Notre-Dame in Montreal, Ottawa's Basilica, Notre-Dame Basilica in Quebec, Saint-Paul's Church and the Royal York Hotel in Toronto, and for Emmanuel Church in Boston. Their hundredth instrument was delivered in 1899, after 25 years of operation. Five years later they delivered their two-hundredth organ, and after 45 years of operation they had installed a thousand. By 1925, no Canadian city was without a Casavant organ from the workshops of Saint-Hyacinthe, and at least 100 instruments were installed in more than 40 American states.

Immediately after the last war, the Casavant works kept up with the progress of their art by reopening their mechanical traction department, and in 1961 the first organ of this type was delivered.

## RELIEF FOR EAST PAKISTANI REFUGEES

*The following is a statement on motions by the Secretary of State for External Affairs, Mr. Mitchell Sharp, in the House of Commons on May 28:*

During the past several days, a number of questions have been raised with regard to the nature of the Government's response to requests from the Government of India and the UN High Commissioner for Refugees for assistance in providing relief for refugees from East Pakistan. The House will recall that on May 18 the Secretary-General of the United Nations issued an appeal calling for urgent humanitarian assistance to relieve the plight of these refugees and sought the co-operation of governments and private organizations in a co-ordinated effort through the United Nations to alleviate their suffering.

The Government accepts without hesitation that the financial burden of providing relief cannot be borne by India alone. To help meet the urgent human needs in West Bengal and other border states, the Government is providing \$2 million in relief supplies including foodstuffs, medicines, medical supplies and cash contributions. This \$2 million is a supplementary contribution to the international emergency relief appropriation and will not affect the bilateral development assistance program for India.

It is most important that relief be provided in as effectively co-ordinated a manner as is possible. We are consulting closely with the United Nations in order to ensure that Canada's contribution will complement the contributions of other governmental and private donors who have indicated their willingness to contribute.

The longer-term needs arising out of the presence of the refugees in India are not yet known.

This contribution is designed to help meet the immediate needs of the situation.

The Government shares with Members on both sides of the House, and Canadians generally, the urgent wish to help bring relief to the suffering in East Pakistan. Adequate funds, needed supplies, means of transportation and the right kind of experts are all available. We are continuing, through the World Bank and other international organizations, to seek a way to deal with the problem. Our High Commissioner in Islamabad is urging upon the Government of Pakistan the need to admit relief supplies under proper international supervision and control. I regret that I cannot at this time report any significant progress.

## NEW NATO NETWORK

Canada's terminal for the NATO satellite-communication system being now built at Carp, near Ottawa, should be operational this summer.

The system, called SATCOM Phase II, is NATO's space-age network for political consultations and military communications. It consists of two satellites and 12 ground terminals in Belgium, Britain, Canada, Denmark, Germany, Greece, Italy, the Netherlands, Norway, Portugal, Turkey, and the United States.

The ground-station, located near the seat of government in each country, will be linked to government and military headquarters by a telephone cable, or by a line-of-sight microwave system. Besides providing voice communications, each station will also be able to selectively communicate with others by satellite over teletype circuits.

Production of equipment for the system is shared by participating NATO countries.

The second communication satellite for the system was launched by the U.S. in February. Canada will supply high powered transmitters and teletype wire equipment for all 12 terminals.

## PICKFORD FILMS AT STRATFORD FESTIVAL

Nine classic motion pictures starring Mary Pickford, "America's Sweetheart", will be presented as a major feature of the Stratford International Film Festival. The "Tribute to Mary Pickford" - a collection of delightful films from the Golden Age of American Cinema - will be shown from September 11 to September 19.

Though Mary Pickford portrayed basically the "girl next door", her screen characters varied widely - from rich to poor, from young girls to mature women. Most of her films have not been seen for years but Miss Pickford decided to make them available again at this time, when older movies have become appreciated and enjoyed perhaps even more than when they were first released.

It is expected that Buddy Rogers - Mary Pickford's husband and himself a famous silent screen star - will open the tribute on September 11 with a screening of *My Best Girl*, comedy-romance of 1927 in which he and Mary co-starred. Other titles, include *Rebecca of Sunnybrook Farm*, *Polyanna*, *Sparrows*, *Little Lord Fauntleroy* and *The Taming of the Shrew*.

### CONFERENCE ON DAY-CARE SERVICES

Reuben C. Baetz, executive director of the Canadian Council on Social Development, announced recently that the Council would hold a national conference on the day-care of children from June 20 to 23. The conference, the first of its kind, will include some 450 people - parents, specialists, representatives of labour and industry, and elected public officials and public servants from all levels of government.

A number of the participants, who could otherwise not afford to attend, will receive financial assistance for travel and lodging, Mr. Baetz said. These are users of day-care services, with special emphasis on one-parent families; board members of day-care centres; representatives of low-income groups; and staff members of some small day-care services. The Government of Canada and private foundations have been asked to contribute toward these costs.

The purpose of the conference, said Mr. Baetz, in a speech to the Ontario Association of Children's Aid Societies, is to provide an opportunity for people in the area of day-care to exchange ideas on legislation, staff training, program content, financing and day-care services as a community resource. A major input to the conference will be discussion, with the delegates, of the findings of the Council's two-year cross-Canada study on day-care services.

### LABOUR FORCE

The seasonally-adjusted unemployment rate went up sharply in April to 6.7 from 6.0 in March. The increase in employment during March and April was considerably less than usual for this time of year. Total employment in Canada stood at 7,737,000 in April, 51,000 higher than that of March. The number of unemployed persons, at 659,000 in April, was slightly higher than the March total (it usually

declines during this period). The unadjusted rate of unemployment was 7.8 in both March and April.

Compared to last year's figure, the labour force was up by 198,000 (2.4 per cent), and employment by 83,000 (1.1 per cent). The number of unemployed persons had increased by 115,000.

### EMPLOYMENT

Among the various industries surveyed, employment increases between March and April were above average in agriculture (66,000), and construction (26,000) and were below average in trade. Employment in community, business and personal services declined for a second successive month, down by 12,000 from the March level, in contrast to sizable March-April gains in previous years. There was also a reduction of 12,000 in public administration. Smaller declines in manufacturing and in transportation were in contrast to the usual employment gains at this time.

Employment of women as a whole showed little change instead of the normal March-April gain. Employment of men increased a little less than average for the period.

The seasonally-adjusted employment level for Canada went down by about 1 per cent in April. There were declines in the Atlantic Provinces (2.7 per cent), Quebec (1.8 per cent) and Ontario (0.6 per cent). In the Prairies and British Columbia the seasonally-adjusted employment showed virtually no change during the month.

### UNEMPLOYMENT

From March to April the number of unemployed younger persons increased by 20,000 in contrast to a usual decline. There was a reduction of 11,000 among the unemployed 25 years of age and over. The reduction in the older group, which was smaller than average, occurred among men.

There were 56,000 more unemployed in the 14-24 age group in April 1971 than in April 1970. The year-to-year increase in the number of unemployed persons 25 years and over was 59,000.

After declining from 6.6 to 6.0 during the last four months, the seasonally-adjusted unemployment rate rose to 6.7 in April, the highest since September. A large increase from 11.1 to 12.3 in the seasonally-adjusted unemployment rates was recorded for persons 14-24 years of age. Among adults 25 years or older, there was a larger increase in the seasonally-adjusted rate for men than for women.