

IN THE MARKETS

Markets

TSX — 12,516.89, down 11.46
 TSX-Venture — 910.84, up 14.11
 Dow Jones — 15,451.85, down 32.41
 Nasdaq — 3,598.50, down 8.99

Dollar

Loonie \$0.9643 US, up \$0.0053

Oil

\$105.80 US a barrel, down \$0.52

Gold

\$1,292.25 US an ounce, up \$7.615

BUSINESS DIGEST

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Canada urged to reject drug patent proposal

OTTAWA — Canada is pushing back against a campaign by activists trying to block what they say are onerous intellectual property rules that would raise the price of pharmaceuticals in poor countries.

The campaign, led by the group Medecins Sans Frontiers, has reared its head this week during the ongoing 11-country Trans-Pacific Partnership talks.

The talks are shrouded in secrecy, but a leak has revealed details of a U.S. proposal that would extend patent protections for pharmaceutical companies, delaying the production of cheaper generic drugs.

MSF says aggressive intellectual property rules would drive up the cost of drugs that treat AIDS, tuberculosis and malaria in developing countries.

Judit Rius, the U.S. manager of the campaign, says Malaysia has already spoken out against the intellectual property proposal and wants Canada to add its voice.

But a spokesman for International Trade Minister Ed Fast says Canada believes strong intellectual property protection is good for economic growth.

U.S. pump prices rise to highest level since June 10

NEW YORK — Gasoline rose to the highest price in five weeks in the U.S. on Tuesday, as the recent spike in oil continues to filter down to the consumer level.

The average price for a gallon of gas rose two cents overnight to US\$3.635 (96 cents a litre), the highest since June 10. That's 15 cents a gallon more expensive than a week ago and 24 cents more than American drivers were paying at this time last year.

In Canada, the price averaged C\$1.337 per litre, up from \$1.296 a week ago, according to GasBuddy.com.

Rating agencies review Shoppers, Loblaw deal

TORONTO — Shoppers Drug Mart and Loblaw Companies Ltd. are being placed under review by several rating agencies a day after announcing a friendly deal that will see the pharmacy chain bought out by the grocery giant for \$12.4 billion.

Standard & Poor's is placing the companies on CreditWatch "with negative implications," which means it may lower or affirm the ratings within the next three months.

It also placed Loblaw's parent company George Weston Ltd. on CreditWatch with negative implications because of their rating links to Loblaw.

DBRS also placed Shoppers Drug Mart under review with negative implications, reflecting Loblaw's "potential assumption of approximately \$1 billion of Shoppers' debt."

It reduced Loblaw to "under review with developing implications," saying Loblaw's business profile should benefit from increased scale, more diverse product offering and potential synergies.

Source: The Canadian Press

Medical firm driving cancer cure to market

By ETHAN LOU
 Telegraph-Journal

With cancer-drug human trials well underway, a Sackville firm is allocating efforts to marketing and developing spinoff products.

Soricimed Biopharma Inc. has been working on a cancer-fighting drug since 2005. The one it's best known for, SOR-C13, is in phase 1 human trials set to conclude in late fall 2014.

But already, the results are encouraging, and the firm is poised to move smoothly to marketing its cure, the firm's chief scientific officer, Jack Stewart, said last Friday.

In previous animal trials, the drug decreased tumour growth without producing chemotherapy side effects. Stewart said it can potentially treat 80 per cent of all cancers.

Two other developments are also underway — among other spinoffs to the drug's technology — although the main cancer drug is still the firm's priority.

Stewart said the drug in low concentrations can act as a good delivery system for conventional cancer drugs and makes them up to twice as effective.

Testing started this time last year and is in the cell-line phase — testing in petri dishes. Animal testing is set to commence after the final report is delivered later in the month.

In another development, testing for cancer through the blood — a new concept — is currently going through large-scale tests on human blood. Done through a partnership with the Vitalité health network, it is set to be concluded in three to four months.

Stewart said the detection works through cancer cells leaching into the bloodstream and giving off detectable bio-markers.

"The bio-marker in the blood of people with cancer is significantly higher than blood of healthy people," he said. "We can actually pick up this bio-marker very early on in the cancer process."

"Just to give you an example, you can pick up stage-one ovarian cancer through a blood test."



DAVID CORKUM PHOTO

Trials underway: Soricimed Biopharma Inc. chief scientific officer Jack Stewart, president and CEO Paul Gunn and senior research technician Chris Rice looking over diagnostics test results. Soricimed Biopharma Inc. has been working on a cancer cure since 2005, which is currently going through phase 1 human testing.

Stewart was speaking in the wake of the firm's annual general meeting held earlier in the week, when two new members — both with hefty corporate experience — were added to the team.

Mario Thomas, an executive with more than 20 years directing corporate growth, was brought on as the vice-president of business development.

Tom Reeves, who has run both public and private health-care organizations and brought firms public, was appointed to the board of directors.

Soricimed CEO Paul Gunn said the inclusion of Thomas allows the firm to dedicate a person to pursue partnering with larger firms and marketing the drug.

"We're a small company, and that

previously would have fallen on my shoulders or Jack (Stewart)'s shoulders or between us," he said. "This gives us a dedicated resource ... we respond faster, we keep discussions going quicker."

Gunn said the firm is talking with most of the major regional and international companies, although he did not disclose details.

He also said Reeves will give the firm a valuable source of advice for corporate strategy, though he will not be heavily involved in day-to-day affairs.

"He has done partnerships and deals before, he has raised a lot of money before, he has taken a company public before. His background is incredibly valuable to us as we move

forward."

He added that there are two different tracks — the business and the research sides — for any medical firm, which must complement each other.

The current Phase 1 for the cancer drug involves testing its safety on humans. Following that, Phase 2 and 3 will test the drug's actual cancer-fighting abilities.

Gunn said that in the coming months, the firm's goals will be to sustain the larger firms' attention, now that it has their curiosity.

"There are a lot of companies out there that are familiar with what our scientists have been doing," said Gunn. "It's going to be taking it to the next step where we get them interested enough to partner with us."

Ministers discuss steps to increase natural gas supply

By ETHAN LOU
 Telegraph-Journal

The province is considering using American natural gas to stem its depleting supply, Energy and Mines Minister Craig Leonard said on Tuesday.

Natural gas prices spiked last winter due to constricted domestic supply, with diminishing output from the Sable Offshore Energy Project and the Deep Panuke project's delays.

Leonard said the province is seeking both to bolster domestic supply and new external sources to complement the Deep Panuke project.

He was speaking after Atlantic energy ministers met in Pictou, N.S., on Monday to discuss the region's energy future.

"We looked at supply issues of natural gas in New Brunswick and all of Atlantic Canada," said Leonard. "There's recognition that it is an issue for all of us."

The region relies mostly on the Sable Offshore Energy Project off the coast of Nova Scotia, which has two to four years before being tapped dry.

The Deep Panuke project, originally set to open last month, was beset by repeated delays and is expected to start operations sometime late summer or early fall.

Leonard said the province — along with the rest of Atlantic Canada — is exploring the option of looking eastward as well as south of the border for gas in areas producing lower-cost gas, such as Pennsylvania.

"While the immediate goal is to produce domestic, certainly there's work being done to look at other options as well that will augment that domestic source," he said.

SWN Resources Canada Inc. is currently doing seismic testing in eastern New Brunswick to see if the area has enough gas to sustain a viable industry.

Atlantic Energy president John Herron said even with significant quantities of natural gas found in the province, there will be a significant period of time before the supply can

be harnessed to fulfil the region's needs.

He added that external sources are not long-term solutions.

"There is an array of sources to service the market short- and medium-term," he said.

"However, if there isn't something discovered — offshore Nova Scotia or on-shore New Brunswick — somewhere in the six to eight years, then the supply picture would point to our region consuming natural gas from shale from Utica, (N.Y.), from Marcellus (N.Y.) and from Western Canada."

Herron added that the further away the province buys its gas, the less viable it becomes.

"The further you have to move the gas, the more tolls that are associated with the gas," he said. "That actually makes the commodity more expensive."

Other topics discussed at the meeting include the Atlantic Energy Gateway and energy efficiency.

The gateway initiative was established in 2009 with the aim to eventually consolidate regional electric boards.

Leonard said the focus was in finding a way to blend the current infrastructure with the new developments on the way.

"We were talking about the need for not just the utilities but also the governments to really be on the same page and to be collaborating as we move forward," he said.

The region is allocating efforts to renewable energy, with New Brunswick and Nova Scotia targeting those sources to provide 40 per cent of in-province electricity sales by 2020.

Leonard added that the other provinces were looking at New Brunswick's Smart Grid program — one that incorporates monitoring and analysis in the electricity distribution network — as a model for electricity usage.

The meeting was hosted by Nova Scotia Energy Minister Charlie Parker and was also attended by representatives from regional electric utilities.

The energy ministers are due to meet again in August in Yellowknife.

Moore holds firm on EI reform

By ADAM HURAS
 Legislature Bureau

New Brunswick's newest federal cabinet minister says there is no need to tinker with Ottawa's employment insurance reforms.

In an interview with the Telegraph-Journal on his new influential role, Fundy Royal MP Rob Moore — the newly named minister of state for ACOA and regional minister for both New Brunswick and Newfoundland and Labrador — says his relationship with the provincial Tory government is strong, but he noted that differences in opinion still exist.

That includes the controversial employment insurance changes that Premier David Alward will undoubtedly be lobbying Moore to help change with his new influence in Prime Minister Stephen Harper's inner circle.

In a wide-ranging interview, Moore also said job creation needs to be the province's top priority — led by a west-east pipeline, natural resource development, tourism and spinoffs from a federal shipbuilding contract in neighbouring Nova Scotia.

"The role of regional minister is one where you are going to be looking at co-operating with the province on projects that are important to the people of New Brunswick," Moore said. "My priority is the economy."

"In New Brunswick, we need to make sure that we have a recovery from the economic downturn."

Moore cited the collaboration between New Brunswick and the federal government in backing the creation of a pipeline stretching from Alberta's oilsands to Saint John.

"I think that represents the kind of change we need, the kind of opportunity that we need," he said. "We have world-class assets in New Brunswick in our port, our refinery, and being able to take a Canadian product and refine it in Atlantic Canada, in New Brunswick, is an opportunity we can't let pass."

"There are great opportunities in New Brunswick, whether it is with the pipeline, with natural resources, with tourism, manufacturing. There are the opportunities that are coming from the national shipbuilding pro-

gram, and we are making sure that small businesses throughout Atlantic Canada are able to benefit."

But Moore disagrees with what is the unanimous assertion of the Atlantic Canadian premiers that EI reforms will have a negative impact on the provinces' seasonal economies.

Moore said changes don't need to be made.

"No, not so far," Moore said. "These changes were brought it and the people who have need for employment insurance are continuing to get it, so I wouldn't think we would want to tinker with that."

"On the employment insurance file we have made a commitment that if someone is in need of a job and cannot find a job, then employment insurance is going to be there for them. That has been the case."

The changes include tougher rules for keeping EI benefits and a new requirement that EI beneficiaries who have used EI frequently have to take any job available to them, even if it means an hour-long commute and lower pay.

The federal government has said the changes are designed to clarify the definitions and help unemployed Canadians connect to available jobs.

"These changes were brought in some time ago, and we are seeing now that people in seasonal work and people who lose their job or get laid off are able to access employment insurance," Moore said.

"In that sense, I am pleased with the results so far."

Moore said the focus now must be on connecting Canadians with available work.

"We have in New Brunswick and throughout Canada businesses that are bringing in temporary foreign workers to do jobs that New Brunswickers, that Canadians, could be doing, including in areas where there is high unemployment," he said. "That is obviously not acceptable."

"We are trying to mesh the temporary foreign worker program with the realities of the employment situation."

Moore, who attended his first ACOA briefing on Tuesday, said he has also already spoken to Alward since being appointed to cabinet on Monday.