

directing council



PAN AMERICAN
HEALTH
ORGANIZATION

XXIII Meeting

Washington, D.C.
September-October 1975

regional committee

WORLD
HEALTH
ORGANIZATION

XXVII Meeting



Provisional Agenda Item 33

CD23/22 (Eng.)
15 August 1975
ORIGINAL: ENGLISH

TEXTBOOKS AND MEDICAL INSTRUMENTS PROGRAMS

Introduction

In 1974 the XIX Pan American Sanitary Conference reviewed the Programs for Medical and Nursing Textbooks and Medical Instruments, including the projected demand and consequent future capital requirements. The Conference approved Resolution XXXIII emphasizing the importance of the Programs and the need to serve the maximum number of students. Recognizing the requirement for additional capital to meet this objective, it instructed the Director to seek additional loan funds from the Inter-American Development Bank (IDB) and from other agencies or organizations, and authorized the Executive Committee to approve a loan plan if satisfied that the terms were the best available, including the pledging of PAHO assets as necessary to guarantee the loan.

The Director reported to the Executive Committee at its 74th Meeting on the status of the Programs and the steps taken to seek additional capital (Document CE74/15). The Executive Committee at its 74th Meeting approved Resolution XXV (see Annex) expressing satisfaction with the progress of the Programs, requesting the Director to intensify the search for additional loan funds and to submit a progress report to the Directing Council at its XXIII Meeting.

The Director is pleased to submit the following report on the status of the Programs and the quest for additional capital needed to meet the demands of students for books and medical instruments.

Progress in the Textbook Program

The rising demand for textbooks constitutes the most eloquent testimony of the success of the Programs. Nevertheless, it is appropriate to quote the general conclusions of Dr. Myron E. Wegman, who served as a technical consultant under the terms of the Loan Contract. Although his responsibility was primarily for medical textbooks, he also visited schools of nursing, and his comments apply to both:

Overall, the Program is popular, meets a serious need and is steadily increasing in importance and influence. Throughout the series of visits, it became steadily clearer that, while improvements are needed in promotion if all medical students in the Americas are to have similar benefits, the greater need is for expansion of the Program to meet current unfilled demand, both for books already on the list and for additional ones.

There is currently wide variation in utilization among countries and among schools within countries. In a few instances, the Program is already reaching the great majority of potential participants; in others, there are considerable shortcomings. In the majority, a substantial beginning has been made, and there is urgent need for expansion.

The accomplishments have been achieved in collaboration with the universities as well as with the full cooperation of the publishers of medical and nursing textbooks.

Medical Textbooks

The Program is in a period of rapid growth. The sales in 1974 were 66 per cent above 1973. In the first half of 1975, the sales were 56 per cent above the corresponding period in 1974. In the first half of 1975, seven countries had sales increases of more than 100 per cent. In dollar terms, because of the inclusion of more expensive books in the program as well as price increases, the sales were 121 per cent above the first half of 1974.

The relative benefit to students has improved, because the increases of 40-45 per cent in the commercial prices have been greater than in this Program, where price increases have been held to 25 per cent. The result is that prices to students are estimated at 41-50 per cent of the commercial prices, as compared to 45-55 per cent estimated in 1973.

Table I presents the actual sales for 1974 and the projected sales through 1977 in terms of number of books. Table II shows the countries which have signed the basic agreement. With respect to school participation, it shows also the number which have signed letter-agreements and the number actively selling books.

Textbooks are acquired by two methods. In 1975 about half of the books were obtained by purchasing reprinting rights from publishers and having the printing done by contract in Cali, Colombia. This has produced books of more uniform quality at lower costs with consequent savings to students. It also has the advantage of combining a number of titles in making shipments to schools. Negotiations have been started with printers in Mexico

to establish a printing contract there where the major publishers are located, but they are being held in abeyance because not all the publishers are prepared to sell reprinting rights rather than finished books. Consequently, the alternative method, namely the purchase of finished books, is continuing. From the beginning of the Program, publishers have cooperated very well. They, in turn, have benefited directly from the mass market for books, and indirectly from reduction in unit cost on the books they sell through commercial channels.

Operating expenses during the first five-year period ending on 31 January 1976 have been subsidized by PAHO (\$120,000 per year), in accordance with the loan agreement with the Bank. The level of sales attained in the first half of 1975 is sufficient to assure that future operating expenses can be met from within the Program without increasing the price of books. As the Program grows, there will be a substantial increase in income over expenses. This will enable the Program to repay the principal of an additional loan, in contrast to the first loan for which PAHO has undertaken to repay the principal (\$100,000 per year).

The demand curve of book purchases by students is expected to continue rising rapidly until 1977. By that time the proportion of students buying books is expected to become stabilized so that future increases would be due primarily to growth in numbers of students, which has been about 15 per cent per year. This increasing demand cannot be met within the present capital limits and additional loan funds are required.

Table III projects the capital requirements to meet the demand discussed above. It will be noted that already in 1975 capital requirements exceed the level of the current IDB loan of \$2,000,000; by the second quarter of 1977 the need reaches \$4,348,087. Steps are being taken to continue growth as long as possible within present capital limitations. Efforts are being made to get income from sales deposited more promptly into the bank accounts of the Organization. Publishers are cooperating by delivering books in three months of signature of the contract instead of the six previously required. The books printed in Cali are obtained in an even shorter period. PAHO can make short-term advances from the PAHO Textbook Fund to meet peak period requirements until the Nursing Textbook Program grows enough to require full use of these funds. Despite all of these measures, it will be necessary by 1976 to restrict the growth of the Program unless more loan funds are obtained.

Nursing Textbooks

The Nursing Textbook Program benefited from the experience of the Medical Textbook Program and is moving ahead rapidly. Also, the students and schools of nursing have shown an even greater enthusiasm. The sales curve is rising very sharply and may be expected to continue at least into 1978 before leveling off. Table IV presents actual and projected sales

for the period 1974-1977. Books were delivered too late in 1974 for the sales figures to have much meaning, but in the first half of 1975 nearly 5,000 books were sold. Since the last half of the year usually is the heaviest, the projected total of 13,814 for 1975 appears feasible.

Table V shows the countries which have signed the basic agreement. School participation is presented in terms of the number which have signed letter-agreements and the number actually participating in sales. As the proportion of active schools rises, the increase in sales predicted in Table IV appears attainable.

Capital requirements for nursing textbooks are presented in Table VI. The level of capital needed approaches \$500,000 by the end of 1977. The PAHO Textbook Fund will meet the needs of this Program until about mid-1977, but by late in that year or the beginning of 1978 more loan capital will be needed.

Basic Diagnostic Instruments for Medical Students

The Instruments Program is newer than the Textbook Program and, despite the great demand from students, has had to be limited to those schools ready to contribute to a capital revolving fund.

The basic diagnostics instruments have been defined, in consultation with faculties of medicine, as the following:

- a) Stethoscopes and sphygmomanometers for students entering clinical studies stage (third-year students)
- b) Oto-ophthalmoscopes for students in the internship rotation and social service stages.

Table VII reports the volume of sales in countries where capital has been provided by the universities. Sales in 1975 are continuing at about the same level as for 1974 because there is insufficient capital for expansion. Table VIII projects the potential annual demand for all countries based on the estimated number of medical students in their third year. The cost of equipment represents the amount of capital needed. The immediate demand is much greater because it involves the students in the third through seventh years. After the initial accumulated demand is met, it will be largely limited to students entering their third year. On the basis of potential demand, and assuming that the financial cycle from placement of the purchase order to receipt of income from sales is one year, the capital requirement is estimated at \$2,518,920, when all countries enter the Program.

Status of Search for Loan Funds

Following the instructions of the XIX Pan American Sanitary Conference, in November 1974 the Director of PASB sent a letter to the President of IDB

requesting a new loan and transmitting a copy of Resolution XXXIII of the XIX Pan American Sanitary Conference. The request was for a total of \$4,500,000 (\$2,000,000 for medical textbooks, \$500,000 for nursing textbooks, and \$2,000,000 for instruments for medical students). An acknowledgement was received, and the request is under study.

Consultations have been held with officials of IDB at various levels. Among officials of the Bank, the Textbook Program is regarded as technically sound, having desirable objectives, and being successful in its operation. Its consideration is being held in abeyance, however, because of the limited resources available in the IDB Special Fund. There is no chance for approval by IDB of a loan in 1975. In 1976 the prospects will depend on resources which become available in the Special Fund. Negotiations with IDB will be continued.

Another potential source of capital is the Member Governments of PAHO. Letters have been sent to Governments inviting them to consider 20-year, no-interest loans or grants to provide additional capital. In the letters it has been explained that if governments would provide half of the additional capital needed, the program could then afford to pay commercial rates of interest for the other half. Such a loan at commercial rates could be negotiated more easily with IDB because it would not depend on resources in the Special Fund.

The Director will continue searching for loan funds and will refer to the Executive Committee for approval loan agreements which may be developed.

TABLE I

Sales of Medical Textbooks, 1974-1977

Title and Author	Actual		Projected	
	1974	1975	1976	1977
Anatomía (Gardner)	4,053	3,500	8,000	9,000
Bioquímica (Laguna)	3,078	5,200	6,400	7,200
Química Fisiológica (Harper)	- 0 -	3,000	8,000	9,000
Embriología (Langman)	5,549	6,800	9,600	10,800
Embriología (Langman)*	736	1,200	1,400	1,600
Farmacología (Kuschinsky)	6,099	5,251	2,000	- 0 -
Fisiología (Houssay)	5,456	3,300	5,600	6,720
Fisiología (Ganong)	- 0 -	6,500	12,000	14,000
Ginecología (Novak)	4,658	7,600	11,200	12,600
Histología (Ham)	2,796	6,200	11,200	12,600
Medicina Interna (Beeson)	8,043	6,300	2,100	- 0 -
Medicina Interna (Harrison)	- 0 -	6,050	14,700	17,640
Microbiología (Jawetz)	4,589	6,500	8,000	9,000
Obstetricia (Hellman & Pritchard)	5,273	5,900	11,200	12,600
Obstetricia (Rezende)*	1,665	2,400	2,800	3,200
Parasitología (Craig-Faust)	2,032	5,600	8,000	9,000
Patología (Robbins)	7,778	7,500	3,700	- 0 -
Patología (Correa)	178	4,300	13,400	16,080
Patología Quirúrgica (Sabiston)	4,387	6,650	9,600	10,800
Pediatría (Nelson)	6,387	8,640	9,920	14,400
Tratado de Enseñanza Integrada de Medicina (Passmore) Vol. I	- 0 -	2,000	6,500	8,000
Tratado de Enseñanza Integrada de Medicina (Passmore) Vol. II				
Tratado de Enseñanza Integrada de Medicina (Passmore) Vol. III	- 0 -	- 0 -	4,000	4,800
O Companheiro do Estudante de Medicina (Passmore) Vol. I*	- 0 -	1,000	1,300	1,600
Psiquiatría (Not selected)	- 0 -	2,000	4,000	4,800
Epidemiología (Not selected)	- 0 -	- 0 -	4,000	4,800
Medical Specialties (Not selected)**	- 0 -	- 0 -	4,000	4,800
Total	72,757	113,391	182,620	205,040

* Portuguese

** Titles and authors yet to be determined

TABLE II

Countries and Schools Participating in the Medical Textbook Program

Country *	1974		1st Semester - 1975	
	Schools with Agree-ments	Schools with Sales	Schools with Agree-ments	Schools With Sales
ARGENTINA	0	0	3	0
BOLIVIA	3	3	3	3
BRAZIL	70	58	70	62
CHILE	9	7	9	7
COLOMBIA	9	9	9	9
COSTA RICA	1	1	1	1
ECUADOR	6	5	6	5
EL SALVADOR	1	1	1	1
GUATEMALA	1	1	1	1
HONDURAS	1	1	1	1
MEXICO **	25	13	30	16
NICARAGUA	1	1	1	1
PANAMA	1	1	1	1
PARAGUAY	1	1	1	0
PERU	6	6	6	6
DOMINICAN REPUBLIC	2	2	2	2
URUGUAY	1	1	1	1
VENEZUELA **	7	6	7	6
TOTAL	145	117	153	123

* All countries have signed the basic agreement, the last being Argentina which signed on 13 August 1974. Except as noted, supplementary letter-agreements are signed with participating schools.

**One basic agreement covers all schools in the country.

TABLE III

Net Capital Requirement: Medical Textbook Program

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total	
	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment
<u>1975</u>										
Inventory	130,641	1,607,524	162,148	1,849,777	178,893	2,268,994	165,930	2,251,789		
Purchases	37,000	349,934	47,000	765,099	15,500	311,236	109,715	1,112,386	209,215	2,538,255
Sales	(5,493)	(107,281)	(30,255)	(345,882)	(28,463)	(328,441)	(49,180)	(598,488)	(113,391)	(1,380,092)
Net capital required	162,148	1,849,777	178,893	2,268,994	165,930	2,251,789	226,465	2,765,687		
<u>1976</u>										
Inventory	226,465	2,765,687	217,635	3,153,352	284,560	3,760,837	239,410	3,419,821		
Purchases		500,759	120,105	1,349,992		294,212	71,764	811,116	191,869	2,956,079
Sales	(8,830)	(113,094)	(53,180)	(742,507)	(45,150)	(635,228)	(71,460)	(1,008,159)	(178,620)	(2,498,988)
Net capital required	217,635	3,153,352	284,560	3,760,837	239,410	3,419,821	239,714	3,222,778		
<u>1977</u>										
Inventory	239,714	3,222,778	229,702	3,679,245	299,786	4,348,087	249,726	3,917,467		
Purchases		600,185	130,156	1,614,868		357,736	78,323	981,139	208,479	3,553,928
Sales	(10,012)	(143,718)	(60,072)	(946,026)	(50,060)	(788,356)	(80,096)	(1,261,370)	(200,240)	(3,139,470)
Net capital required	229,702	3,679,245	299,786	4,348,087	249,726	3,917,467	247,953	3,637,236		

TABLE IV

Sales of Nursing Textbooks
1974-1977

Title and Author	Actual		Projected	
	1974	1975	1976	1977
Enfermería Médicoquirúrgica (Smith)	1,912	2,840	3,408	3,976
Enfermería Pediátrica (Blake)	796	2,440	2,928	3,416
Enfermería Práctica (DuGas)	274	4,533	5,440	6,346
Principios Científicos (Nordmark)	29	4,001	4,800	5,600
Maternity Nursing *	-	-	-	3,600
Public Health Nursing *	-	-	3,000	6,000
Psychiatric Nursing *	-	-	-	3,600
Nursing Administration *	-	-	-	3,600
Total	<u>3,011</u>	<u>13,814</u>	<u>19,576</u>	<u>36,138</u>

* Authors yet to be determined

TABLE V

Countries and Schools Participating in Nursing Textbook Program

Country	1974		1st Semester - 1975	
	Schools with Agreements	Schools with Sales	Schools with Agreements	Schools With Sales
ARGENTINA	0	0	3	0
BOLIVIA	4	0	4	2
BRAZIL	14	8	24	18
CHILE	0	0	14	0
COLOMBIA	7	6	7	6
COSTA RICA	1	1	1	1
ECUADOR	5	0	5	0
EL SALVADOR	2	2	2	2
GUATEMALA	2	2	2	2
HONDURAS	2	1	2	1
MEXICO	29	9	30	9
NICARAGUA	4	3	4	1
PANAMA	1	1	2	1
PARAGUAY	2	0	2	1
PERU	16	9	18	11
DOMINICAN REPUBLIC	2	2	2	2
URUGUAY	2	0	2	0
VENEZUELA	13	2	14	4
TOTAL	106	46	138	61

TABLE VI

Net Capital Requirement: Nursing Textbook Program

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total	
	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment	No. of Books	Dollar Investment
<u>1975</u>										
Inventory	22,206	102,097	21,006	96,513	22,203	133,904	31,998	130,928		
Purchases			4,000	49,856	14,000	16,560	4,000	56,664	22,000	123,080
Sales	(1,200)	(5,584)	(2,803)	(12,465)	(4,205)	(19,536)	(5,606)	(26,576)	(13,814)	(64,161)
Net capital required	21,006	96,513	22,203	133,904	31,998	130,928	30,392	161,016		
<u>1976</u>										
Inventory	30,392	161,016	28,434	151,322	26,518	169,397	30,646	240,809		
Purchases			2,000	37,920	10,000	101,168	39,000	196,992	51,000	336,080
Sales	(1,958)	(9,694)	(3,916)	(19,845)	(5,872)	(29,756)	(7,830)	(43,251)	(19,576)	(102,546)
Net capital required	28,434	151,322	26,518	169,397	30,646	240,809	61,816	394,550		
<u>1977</u>										
Inventory	61,816	394,550	58,201	365,112	50,974	341,669	40,132	279,690		
Purchases				35,404		26,304	52,000	329,962	52,000	391,670
Sales	(3,615)	(29,438)	(7,227)	(58,847)	(10,842)	(88,283)	(14,454)	(129,744)	(36,138)	(306,312)
Net capital required	58,201	365,112	50,974	341,669	40,132	279,690	77,678	479,908		

TABLE VII

Medical Instruments Sales, 1974-1975

Country	Stethoscopes		Sphygmomanometers		Oto-ophthalmoscopes	
	1974	1975*	1974	1975*	1974	1975*
Bolivia	-0-	79	-0-	67	-0-	3
Costa Rica	95	48	118	47	50	17
Chile	288	32	287	33	53	95
Ecuador	301	-0-**	232	-0-**	260	-0-**
El Salvador**	-0-	-0-	-0-	-0-	-0-	-0-
Honduras	-0-	100	-0-	124	-0-	28
Nicaragua	96	12	155	-0-	44	-0-
Panama	52	26	54	36	-0-	14
Peru	99	58	115	25	50	53
Venezuela	-0-	81	-0-	74	-0-	22
Total	931	436	961	406	457	232

* First half-year based on reports received

** Sales report not received

TABLE VIII

Program of Basic Diagnostic Equipment Demand and Cost Projections
1975-1977

<u>Year</u> <u>b/</u>	Students Qualify- ing Under the Program	Expected Demand (75%)	Expected Cost <u>a/</u> Dollars
1975	18,748	14,060	703,000
1976	38,296	29,680	1,632,398
1977	55,976	41,982	2,518,920

a/ Cost of equipment per unit package containing the three instruments:
1975, US\$50.00; 1976, US\$55.00; 1977, US\$60.00.

b/ Countries participating and expected to participate. More rapid entry
into participation would be possible if funds become available.

1975: Ecuador, Bolivia, Costa Rica, Chile, Nicaragua, El Salvador,
Guatemala, Honduras, Panama, Peru, Venezuela, Brazil, Dominican
Republic, Jamaica, Haiti

1976: Countries in prior year, plus Argentina, Colombia, Uruguay,
Paraguay, and Surinam

1977: Countries in prior years, plus Mexico

EXECUTIVE COMMITTEE OF
THE DIRECTING COUNCIL

PAN AMERICAN
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74th Meeting

74th Meeting

RESOLUTION XXV

TEXTBOOKS AND MEDICAL INSTRUMENTS PROGRAMS

THE EXECUTIVE COMMITTEE,

Having studied the report on financing the programs for medical and nursing textbooks and for basic diagnostic instruments for medical students (Document CE74/15);

Recognizing the importance of adequate capital to permit this program to meet the demand and needs of the medical and nursing students of Latin America; and

Bearing in mind the authorization of the XIX Pan American Sanitary Conference to seek additional loan funds for these programs,

RESOLVES:

1. To express its satisfaction with the progress made in serving the educational needs of medical and nursing students through the programs for textbooks and medical instruments.
2. To request the Director to intensify the search for additional loan funds and to explore other appropriate mechanisms.
3. To request the Director to submit a progress report to the Directing Council at its XXIII Meeting.

(Approved at the twelfth plenary session,
30 June 1975)