

Patent Act—Trade Marks Act

After hearing these witnesses, I hope the committee will attempt to estimate the effect on the present budget of the removal of the 12 per cent sales tax from drugs, and the impact the proposal to import manufactured drugs is likely to have on our total tax revenues and, in particular, on tax revenues flowing to municipalities and school boards. If committee members examine the figures in this connection I doubt that they will recommend the provisions dealing with the importation of finished drugs.

[Translation]

Mr. Roland Godin (Portneuf): Mr. Speaker, if we refer to the official report of the House of Commons Debates for October 17, 1968, we find the speech of the Minister of Consumer and Corporate Affairs (Mr. Basford), concerning this Bill No. C-102, to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act. The minister expressed then his point of view on the results that the proposed amendments would have for the Canadian people.

Mr. Speaker, I shall be frank and say that I do not consider this bill in the same way as the minister; therefore, I am not as optimistic as he is. If we base our considerations on what we already know, that is if we stop for a moment to examine our personal experience—or to make a few comparisons in the light of the briefs and reports that have been filed, we reach the conclusion that we are facing an important monopoly which, in my opinion, originated under the present legislation. The unimportant amendments contained in the present bill will not change anything. Therefore, when the minister states, as reported in the *Hansard* of October 17, at page 1515, and I quote:

—the drug industry differs uniquely from other industries.

I quite agree with him. That industry differs from other industries first because the aim has been diverted from its end, and experience has taught me that drugs have served more often to enrich than to cure. First, at the manufacturing level, that industry fixes selling prices which are not proportional to costs.

I had a translation made of a few pages of the book of a serious and famous author, Mr. Stevenson, in which he mentions some extraordinary costs and prices relative to Canadian drugs. He says that profits made on some drugs range between 26,000 and 28,000 per cent.

[Mr. Rock.]

An employee who holds an important position in that industry told me last year that certain pills which sold wholesale in the United States for \$3.00 per thousand retailed in Canada at \$5.50 for 50.

This was not an accident or a mistake since most of the drugs are manufactured in the United States by parent companies, then shipped to our country. Their branches pack, bottle these products and label them with rather pompous names. In fact, 5 per cent only of the drug patent rights belong to Canadian residents while we import 85 per cent of the raw material necessary for the production of drugs used on the Canadian market.

• (3:30 p.m.)

In the field of information, Mr. Speaker, in view of the fact that the rather scarce details available on pharmaceutical products are sent to hospitals, doctors and druggists, it is not surprising that the names on the labels of the drugs are meaningless for the ordinary customer. The names and the labels are totally beyond our understanding; however we have every reason to believe that these customers are not always obtaining the best quality products.

At this stage, Mr. Speaker, I should like to emphasize a significant point: certain officers, responsible for the administration of the Food and Drugs Act are not choir boys and unfortunately sometimes carelessness prevails over a sense of responsibility.

A druggist, the owner of a rather large establishment employing 15 people, told me recently that no inspector had visited his establishment for the past 26 months. He could have sold anything in perfect peace of mind.

As far as the work at the plant is concerned, the same situation prevails. The inspectors in charge of controlling the finished products are away more often than they should and the manufacturer is only too glad to be allowed to select himself the samples which are necessary to insure the prosperity of that industry in Canada. And yet the analysis of those samples should protect the health of all Canadian citizens.

We are facing a tricky problem, and I say it once more, a very powerful monopoly because it allows the manufacturers to speculate on the quality of the products. That monopoly is dangerous in that it allows people to alter the figures. As long as these fumbler are allowed to use publicity as a means of inducing people to believe they are the