because of their importance. I am sure the people of Halifax would agree with me in this regard in spite of what the hon. member for Dartmouth seems to think.

We have been told, of course, that if we pass this kind of legislation we will stifle scientific research and that the drug companies will not be able to spend as much money on research. The evidence we received at the hearings of the committee was to the effect that the drug companies have never spent very much money on research. We were told that Canadian drug companies have been spending 2½ cents of every prescription dollar on research at the same time they have been spending 11½ cents on promotion and advertising. So, again, we ought not to worry about the drug companies in this respect.

• (9:30 p.m.)

The government proposes to take a number of steps, of which this bill if passed will be one, to try and bring down the price of prescription drugs. What are the steps the government has taken or proposes to take? There was the removal in September, 1967, of the 12 per cent sales tax on prescription drugs. There is no question that this led to a reduction in the price of prescription drugs, but the reduction was far below the 12 per cent sales tax which applied to prescription drugs. As a matter of fact, statistics of the Dominion Bureau of Statistics some time after the 12 per cent sales tax was removed indicated that only half of the tax decrease was passed on to the consumer in the form of lower drug prices.

I am told and I am certain—if anybody questions what I am about to say I can at a later date bring the evidence to prove it—that the price of a very substantial percentage, if not all, of prescription drugs has risen since that tax was taken off. Therefore drug prices are nearly, if not entirely, back to what they were before the 12 per cent tax was taken off.

Second, the Department of Industry established the pharmaceutical industry development assistance program which was supposed to provide loans at commercial interest rates to firms in the industry, mainly the small, generic drug producers, to improve their competitive position by mergers and thus rationalize production. The amount budgeted for this program was $2 million. This, together with the financial terms under which the money was available, really made a mockery out of any attempt to help the small company. Therefore, this program did not work.

Then, it was proposed unanimously I think by the committee chaired by Dr. Harley, who was then the member for Halton, that if we were to get the price of prescription drugs down, if we were to get generic drugs used more extensively, we could not expect, and this is probably the only thing that the previous speaker suggested with which I agree, doctors to use generic drugs instead of brand name drugs produced by the large companies unless they could be certain that the generic drug was as good as the brand name drug. You cannot expect a doctor to prescribe a generic drug, meprobamate, if he does not know that meprobamate is as good as equanil. How can he know this?

There are two things that have to be done, and the committee made it very clear that they have to be done. First, the food and drugs organization must have the facilities, staff and equipment, by arrangement with university medical colleges, to carry out sufficient testing so they can be certain that the drugs used are adequate. With regard to the question of safety, I do not think any prescription drug should be sold in Canada if it is not safe, whether it be cheap or expensive. I think poor people who have to go to hospital and dispensaries in out-patients' departments where they use generic durgs are just as entitled to high quality drugs as the rest of us who go to neighbourhood pharmacies. We ought not to sell any drugs which are not safe.

The way to make sure that drugs are safe, and the committee made this very clear, is to give the food and drugs administration the ability to test drugs. We are caught in a financial squeeze. We have to be careful; we have had to cut the budget, and therefore the food and drugs administration is not getting the money which the committee said it needed.

The second thing that is necessary, and without this second step all the other steps will be useless, is this: Unless the doctors of Canada know that the generic drugs available in Canada are safe, they will not use them. I do not blame them for this; I think they are right. I believe a doctor should be concerned about the financial ability of his patient to buy the drugs which he prescribes. I believe most doctors are concerned about that. But the first concern of the doctor is, and should