

*Interim Supply*

thing all over again. Alternatively recommendations may be made for certain action to be taken in connection with tariffs. But this is the full extent of the powers under that act and it does not, in essence, provide protection for the consumer. The act enables courts to impose a penalty against private enterprise for things it has done in the past and it enables some futile attempt to be made by court order to prevent the same thing occurring in the future.

In my opinion, as far as the pharmaceutical industry is concerned we have to take into consideration a number of unique characteristics brought about because the industry has no direct relationship with the consumer but works through professional persons, doctors. The advertising is directed to the doctors. The doctor writes out a prescription for the consumer, this patient, who has no choice concerning what kind of drug or product he should get. He takes the prescription given to him. He goes to the pharmacist and the pharmacist again has no choice whatever. If a brand name is mentioned he has to supply a drug of that particular brand. If a generic name is mentioned he follows the prescription in that regard also.

Since these circumstances prevail, I believe there must be established a crown corporation for the production, sale and introduction of ethical pharmaceutical preparations. It should provide them at cost. In this way we could ensure at least that government agencies such as the Department of Veterans Affairs, which uses a large amount of drugs, or the Department of Defence Production, the northern health services and other departments and branches of the federal government would be able to use pharmaceutical preparations produced under government auspices at a great saving to the public. We could also establish under this crown corporation a sales and distribution organization to provide drugs to provincial authorities at the lowest possible cost for distribution to hospitals and for the care of the needy and the sick, as well as to old age pensioners, who have difficulties enough as it is, inasmuch as the Prime Minister backed out of the promises he made to them in 1957 and 1958 to provide drugs for them at the lowest possible cost. Unless this government or any other government is willing to recognize the basic fact that the pharmaceutical industry has the consumer at its mercy and that there is only one agency, namely, an agency established by parliament, capable of protecting the interest of the consumer, then the consumer will continue year after year to be gouged, robbed of

[Mr. Howard.]

his dollars and to be uncertain whether he is in fact receiving a pure and efficacious product.

I do not wish to discuss the question of the purity of these drugs and the nature of the advertising through doctors, which is another field, but if this government had any concern for the price which the consumer has to pay for ethical drugs and preparations it would immediately remove the 11 per cent tax presently imposed on them. This tax is almost directly responsible for Canadian consumers having to pay the highest drug prices in the world. This is a fact which, I consider, has been established by the Kefauver committee. I believe it has also been established by the restrictive trade practices commission in its study of this matter, documents concerning which were tabled the other day by the Minister of Justice. Surely if this government had a proper degree of concern for the welfare of the citizens of this nation, one of the things in which it would become directly involved would be the elimination of the 11 per cent tax thereby assisting, in some small way, to reduce drug prices. If the government had any concern whatever about the bad effects of monopoly control because of patent controls in the drug industry it would engage in the field of direct licensing in order to ensure that monopoly position does not exist merely because a foreign concern in the United States holds patents controlling our drug industry. It is a fact that almost without exception every single, solitary patent issued under Canadian patent laws in recent years for tranquilizers and antibiotic drugs has been issued to United States or other foreign corporations, even though they have subsidiaries in Canada. In effect this puts control of our drug industry and the welfare of our people into foreign hands outside the country.

In summary I think the marked failure on the part of this government to concern itself with this question of drugs is significant. Because of the degree of publicity which developed in connection with a particular report of the director of research and investigation, and only for that reason, the restrictive trade practices commission and the minister agreed that hearings should be held in public. The afterthought on the part of the government following a lot of adverse publicity about the attitude of the government to the question of drugs was that it might be advisable to hold public hearings "to get us off the hook". But all the time the government knew full well that it intended to do nothing, which is an attitude in keeping with the general attitude of this government on other matters for so many years. It intended to do nothing about the welfare, the