

• (3:40 p.m.)

**Mr. Max Saltsman (Waterloo):** Mr. Speaker, judging from the look of the minister he intends to sleep very soundly tonight in expectation of this bill's receiving third reading. I have only a few things to say about the bill; much has already been said in the course of the debate. I do not believe this bill is really going to lower drug prices to any large extent, yet having said that I still feel it is one of the most significant bills ever brought before the House of Commons. At least, it has proceeded this far; hopefully it will be passed.

I think its significance lies in one particular feature. What we saw here was a confrontation between one of the most powerful economic interests in this country and the government on behalf of the people. There is no doubt that the people won hands down. The powerful P.M.A.C., that great tiger that made and broke members of parliament, turns out to be made of paper. I think it is true that in any confrontation, not only a confrontation between the government and organizations like the P.M.A.C. but with any great economic interest in this country, if the government or its ministers are willing to say that the interests of the people shall be paramount, then the particular interest loses out.

I hope that the victory that appears to be won will not be a Pyrrhic victory. I said to begin with that I do not see how prices will be lowered significantly as a result of the passage of this bill. I think they will be lowered to the extent that they reach the level in the United States, plus whatever tariff applies.

My colleagues in this party have put on record and demonstrated that even if the prices went down to those prevailing in the United States, they would still be much, much too high. Evidence has been placed on the record indicating that these drug companies are being prosecuted in the United States for colluding against the public interest. They have been forced to pay massive fines because of their behaviour in the marketplace. There is little that this bill can do or will do about that particular situation.

I believe the minister is aware of this problem. He has indicated that he is prepared to go beyond the measures contained in this particular bill, and perhaps the very fact that he has said this publicly will be enough to force the drug companies to re-examine their pricing policies.

#### *Patent Act—Trade Marks Act*

However, even if the drug companies wish to make changes, I do not think they are going to be able to do so unless other measures are brought to bear in the marketplace in which they operate. They have all put themselves in the position where they spend 20 to 30 per cent of the selling price of their products on advertising and promotion. They are going to continue to do this in an effort to take business away from each other; they are going to continue the kind of competition that really has almost no effect on lowering prices. Quite the contrary, it has the effect of raising prices and is really not worth while in any sense of the word "competition".

In some ways we would be better off with a monopoly in the drug industry in this country if that monopoly would eliminate the high cost of selling and pass on the savings to the people of this country. A monopoly is probably unacceptable for a number of reasons, but one thing we must consider most seriously is the injection of significant competition into the market place. We can get this competition in two ways. One is the encouragement of small manufacturers to compete pricewise as generic drug manufacturers. To do this, the government has introduced the P.I.D.A. program.

Let there be no mistake about it: it is not enough to introduce the P.I.D.A. program. As the situation now stands, there is every indication that the manufacturers of brand name drugs are going to do everything within their power, as they have in the past, to discredit the manufacturers of generic drugs. The government will, of course, do everything within its power to counteract this and to ensure that the small drug companies are policed for safety reasons, and that the information is available to the public. But the government's action may not be the complete answer.

Therefore, a second possibility has to be explored. It is the one I mentioned earlier, namely the creation of a crown corporation to provide competition in the market place as well as to provide marketing services, if necessary, such as inspection and handling on behalf of some smaller companies that choose to market their products in this way. Some may feel they want to market their own products, and that is fine. But some may feel they need the services of a Crown corporation to market their drugs. Such a Crown corporation could rationalize much of the industry. It could buy certain generics or act as agent for certain manufacturers of generics who may be limited in the number of products they can