refer to the four provisions in Bill C-102 which relate to the question of safety.

The first provision is subclause 13 on page 4 under which notices of an application for a compulsory licence or an interim licence must be given by the Commissioner of Patents to the Department of National Health and Welfare and possibly other departments. The main purpose of this is to allow the Food and Drug Directorate to become aware of the application and to take any steps it deems necessary to prepare, to scrutinize or control the importation of the drug under the licence.

• (2:40 p.m.)

The second provision relating to the program of safety and quality control is to be found in subclause 16 on page 5 which is inserted out of an abundance of caution to make it clear that nothing in a licence or interim licence granted by the Commissioner of Patents shall be construed as conferring upon any person authority to do anything that is contrary to the requirements of the Food and Drugs Act and regulations. This provision was not in Bill C-190.

The third provision relating to safety and quality control is in subsection 2 of new section 49A on page 7 which permits the Minister of National Health and Welfare to control a situation, if it should develop, where a trade marked drug imported into Canada differs from a Canadian drug similarly trade marked, and is therefore liable to cause confusion, and where the difference in composition between the two is such as to be likely to result in a hazard to health. No such situation has been brought to our attention in any significant, actual case, but as we would not wish such a possibility to occur we have placed this safeguard in the bill, and this differs from Bill C-190.

The fourth provision relating to safety and quality control is the new clause five on page 8 which has been added since Bill C-190. This will give the Governor in Council power to make regulations, to be administered by the Food and Drug Directorate, regulating or prohibiting the import of drugs into Canada and the distribution and sale of those drugs in Canada. These regulations may be such as are deemed necessary for the protection of the public in relation to the safety and quality of any imported drugs. The intention is to place beyond doubt, if this were needed, that the Food and Drug Directorate has complete and flexible control, through its regulations, over all imported drugs, including of course drugs imported by the established companies.

[Mr. Basford.]

May I conclude by saying that in view of the long period of time during which the high cost of drugs has been examined in this house and elsewhere, and in view of the importance of the matter, I urge the house to give speedy passage to this bill. I thank the house for its co-operation last night and today in dealing with the amendments on the report stage.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to compliment the minister for piloting this bill through the committee stage and the house. I wish to thank him particularly for his courtesy during the committee stage. I will be brief as this subject has already been discussed.

I believe that the approach of this bill meets with general acceptance by Canadians. It results from the Harley report and others before it. The Harley report adopted the attitude that if we do not prevent or reduce the incidence of propagation of new drugs there will be price reductions. I think this is quite true.

In the committee we asked for some indication as to what effect this bill would have on the industry. The answer always was that no one knew and only time would tell. I think this is correct. Much will depend on how many import or export licences and compulsory licences are issued. It is time this bill was made law as the minister has been in a state of suspended animation for some months or years. He will now be able to decide what attack he will pursue.

The industry is international in scope and I feel it will likely remain this way in the foreseeable future. It is unfortunate that the Canadian industry did not attempt to institute a giant chemical or pharmaceutical company that could compete in world markets. In this way we could get back some of the money that has been sent out of this country.

I hope the industry will not be subjected immediately to too much distortion and that the price of drugs will be reduced. The introduction of new drugs or companies brings with it a safety factor. Drugs are not like mousetraps and similar items which can be easily appraised by the public.

The safety factor costs the taxpayers money. The food and drug estimates this year are approximately $12 million. Forty to 50 per cent of this amount will be spent on safety. This represents $5 or $6 million, which is considerably more than previously budgeted. The directorate is of the opinion that there will be a host of new drugs or copies on the market which they will be compelled to