

Patent Act—Trade Marks Act

manufacturer. On chloromycetin in the United States, the reduction in the same circumstances was almost 50 per cent. It is noteworthy too that where there is effective competition, as in the case of hospitals, which buy on a tendering system, remarkable savings emerge. Thus a cortisone preparation selling at \$17 per 100 units to Saskatchewan retailers was obtainable by hospitals and government departments at the price of \$1.95—

In assessing royalties for compulsory licences, the commissioner (in Canada) will not, as in Britain, take into account expenditures on research, development and promotion. An important reason is that the manufacturer introducing a new drug secures, under the food and drug regulations, a five-year monopoly which should be adequate to ensure a reasonable return on research.

If the manufacturer is given a five-year monopoly for research, development and promotion, then he should be required by law to file complete information on his costs to be recovered. This will serve as a check on the price he wishes to charge and will enable the government to check him if he seeks to engage in unreasonable and unconscionable pricing within the five-year period which he has to recover these costs. Just giving these manufacturers a blanket five years without knowing what is involved in the make-up of these prices certainly leaves the door ajar, if not wide open, to going to every possible length—I will not say to cook the books—to exaggerate or enlarge these so-called costs of research, development and promotion to maximize profits.

I shall support this legislation even though I am convinced it does not go nearly far enough. Once it has been in operation for a year or at most two if as a result of that experience the members of this group are shown to be wrong and that the legislation has actually been effective in reducing and controlling drug costs, we will be only too happy to have been wrong. But if such proves not to be the case I hope the minister, who I am convinced, as I said earlier, is deadly serious about this matter and is enthusiastic and vigilant, will then proceed very quickly to bring additional legislation into the house that will go even farther than the legislation he is proposing now.

I repeat that in principle this is an area of enterprise in our society where the profit motive has no rights, no privileges and no business, and I hope that the measures that the government is proposing now and those they will introduce in the near future will go even farther to put an end to social need being made use of by those who place profits first and service to the people second.

[Mr. Benjamin.]

Mr. Raymond Rock (Lachine): Mr. Speaker, on February 13, 1968, I had the opportunity of speaking on Bill C-190 which is now being presented as Bill C-102 with minor changes. I have no intention of repeating what I said then. However, those who may be interested can find my speech in *Hansard* of that date at page 6698. At that time I stated that now that the bill's contents were known all people who will be affected should have the opportunity to appear before a committee and that the bill should be sent to a standing committee in order to give those who are interested the opportunity to be heard.

In accordance with the new rules adopted by parliament, this bill automatically goes to a standing committee. However, I feel that those who are interested may not be given the opportunity to be heard, and I would like the minister to give us the assurance that at least the representatives of the pharmaceutical industry of Canada will be heard, as well as all other interested witnesses. It has been stated that the representatives of the pharmaceutical industry have already appeared before the special committee on drug costs and prices headed by Dr. Harley and therefore nothing new could be added. However, at the time they appeared the recommendations on which the legislation was based were not known, and now that the contents of the bill are known the people affected should have the opportunity to appear before the standing committee.

There are many new members in the house since the last election who are unaware of the complications which this legislation will create for the industry and the effect it will have on some segments of the Canadian economy. Many Canadians feel that drugs are priced too high, and I believe that ways should be found to reduce these prices. I believe this could be achieved by convening a federal-provincial conference on drug prices to find a proper solution to this problem.

I am in favour of increased competition. The greater the competition, the greater the pressure on high prices. I believe that this legislation will not bring this about. What it will do is to bring in outside competition, imported competition, competition by importation. It will bring competition based on lower foreign wages. This legislation looks good on the surface. However, the so-called competition that exists in Canada is the same competition that exists outside Canada, and to allow finished patented drug products into