

Patent Act—Trade Marks Act

shall be available to United States subsidiaries or subsidiaries of any foreign owned company. I do not think these corporations warrant any concern by the government as to their welfare. They are hardly candidates for the poor-house. If investment is needed in Canada for drug research and production at competitive prices, or opportunities therefor, I submit that these international companies have adequate finances of their own and can raise the money here or in their own countries. They, least of all, warrant any consideration by the government and the Department of Industry.

My colleague the hon. member for Winnipeg North (Mr. Orlikow), who began the debate for our party, listed five areas in which this party believes the government should be taking action in addition to the steps it has proposed in the bill. I should like to review these areas quickly without going into matters already covered. We hope the minister will look seriously at all five of these proposals. If he finds he is unable to agree with them now or is unable to persuade his colleagues to agree with some or all of them, we hope that as the months go by he will be able to implement some and eventually all of them.

Our first point is that we should abandon brand names for all new drugs and generic names should be applied to all new drugs being developed for sale in Canada or brought into this country. Again, I find it incomprehensible that those who promote the best interests of the pharmaceutical manufacturing industry should have waged a scare campaign about generic drugs being unsafe or cast doubt upon their quality, while at the same time competent institutions and people connected with them, private and public hospitals and federal and provincial governments, continually purchase drugs in large lots by their generic name. I suspect that their efficacy has been proven to be even better than that of brand name drugs.

Our second point is that the minister should persuade his colleague the Minister of Finance (Mr. Benson) to place a maximum of 10 per cent of total sales on the allowable tax deduction for advertising and promotion expenses incurred by drug companies and related industries. In my opinion even this limitation is too generous, but that is the proposal of our party.

Third, we suggest—this is an area that the minister himself can deal with through his department—that drug advertising be strictly

scrutinized and controlled as to its claims and the manner in which it is presented to the public. As all of us in this house know, this has been a major factor in the ever increasing cost of drugs.

The fourth point we make is that the minister and his department should require the drug manufacturing industry to submit regularly and often standard cost reports for all new drugs, particularly those for which projected or expected sales are over \$500,000 a year. Again, I believe this is a little too generous and that standard cost reports should be obligatory in respect of the development, production and eventual sale to the public of all new drugs no matter what their projected or anticipated sales may be. It seems to me this would provide the minister and his department with excellent information as to how to implement this and any other legislation that may be brought before us in the future. This should be a requirement and should develop into a standard practice as between the industry and the minister's department.

The fifth point is that raised by my colleague the hon. member for Waterloo (Mr. Saltsman). He dealt with it very well the other evening and therefore I need not repeat what he said. It is that the government should establish a crown corporation to manufacture and sell a limited number of the more important prescription drugs, probably somewhere between 15 and 30 of the most commonly used and most basic drugs of the prescription industry.

• (3:10 p.m.)

I repeat in this regard what I said earlier, that it seems to me the making of profits from the misfortunes of people who become sick is immoral. Surely this is a proper and logical place for a government business or crown corporation no matter what party happens to be in office. It is a perfectly logical and justifiable area for government intervention in the business world, not only to serve as a check upon the remainder of the industry but also to show these companies how to provide safe drugs to the sick at the lowest possible cost and without unconscionable profits and improper and false advertising.

The same column by Mr. Western in the *Winnipeg Free Press* to which I referred quotes the former minister regarding patents in these words:

When the patent on terramycin recently expired in England, the drug appeared under a brand name at one-third the price charged by the original