In addition, the directorate can demand that an importer either test every imported batch of drugs in Canada to ensure its identity, potency or purity, or satisfy the directorate with evidence that each batch has been properly tested in its country of origin.

These new regulations, according to officials, close all expected gaps in the safety and inspection procedures of imported drugs. In effect, the directorate, faced with an unknown manufacturer, can order all tests conducted here.

Officials point out that, when drug ingredients are imported rather than the finished product, the act now provides them with sufficient authority to ensure safety. For one thing, the final drug will be manufactured in Canada and therefore come under their jurisdiction. In addition, they have power to order that any bulk or raw material import be tested here, prior to final manufacture, to pass standards of identity, potency and purity.

The article then lists a number of other steps which have been taken to control drug quality, thus answering the objections of hon. members who are worried about what will happen if we allow the importation into this country of generic drugs.

Some hon. members whose ridings contain drug manufacturers have argued against some of the provisions of this bill. Unless we can control what a legitimate mark-up on drug sales should be there is a good case for developing and testing new drugs. Although there is some dog eat dog competition in Canada, a good many drug companies have reached understandings with their distributors. The original manufacturer of a drug wishes to maintain a certain profit margin; yet companies manufacturing that drug under licence sell it to retailers at similar prices although they have not incurred the development costs of the original manufacturer. I doubt that it is a good idea to have small manufacturers developing new drugs. Since the development of new drugs needs a great deal of money it is obvious that it should be limited to those companies which are able to put them on the market as safe and satisfactory commodities.

I hope the government will consider extending the provisions of this bill. It is essential for us to know exactly how much it costs to manufacture generic drugs. Hon. members must be aware that everyone here is expendable. If we should catch the Hong Kong flu we are expendable, not being on the preferred list as recipients of Hong Kong flu vaccine. There is not enough to go around. The amount available is being used to treat the old and the very young, and this is as it should be. I am pleased that intervention has made this possible rather than the price being jacked up. We do not want drugs available for the rich and not available for the poor. But, Mr. Speaker, a young lady died in Ottawa the other day from Hong Kong flu. I do not know if she had access to the vaccine. She was a secretary. Probably that category is expendable from the medical viewpoint in the selection of persons who should get the vaccine, but I maintain that with our modern, technical knowledge we can afford to provide this type of vaccine for everybody in Canada. Certainly people should not die in the same numbers as those who died in past epidemics of typhoid, strep throat and the like, simply because vaccine was not available at that time to prevent their deaths.

• (3:50 p.m.)

In my opinion we will never be able to get enough vaccine. Salk vaccine is a good example. There was never enough to treat all those in the age category threatened by polio. We did not have enough because it was being developed by private industry. To be successful private industry must be assured that it will dispose of all the product it manufactures.

There is no point in private industry manufacturing a drug that does not have a long shelf life and must be disposed of quickly and economically. I understand that in the case of the Hong Kong flu vaccine eggs must be inoculated. The vaccine feeds on the eggs and it has a short shelf life. Even though a small private company may have the right under licence to manufacture this vaccine in Canada it may not be tempted to manufacture it if sales are made only to 3 million instead of 15 million Canadians. On occasion such a company may manufacture 3 million doses on the basis of anticipated sales and then discover that 8 million or 10 million doses are required. A crown corporation would be in a position to satisfy such a need.

We should also consider the provision of drugs in many fields of public welfare. In my area many people are in an age category that does not qualify for old age pensions. It is an area with little employment for those over 45 or 50 years. These people do not have old age pensions, but when they require drugs such as insulin the province of Ontario, through the municipalities, supplies them at cost. It also provides drugs free of charge to welfare recipients. The amount of such drugs provided all across Canada must be considerable. If the government established a crown corporation to manufacture drugs it could have a large part of its production based on the