

*Oral Questions*UNITED STATES DUTY ON SOFTWOOD LUMBER—EFFECT ON
NORTHERN ONTARIO COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, is the Deputy Prime Minister aware that since the imposition of the countervail tariff on softwood lumber some sawmills in northern Ontario have had their sales reduced by as much as 90 per cent? Has the Minister anything at all in mind for those communities which have lost hundreds of jobs because of the reduction in sales of softwood lumber? These communities include Terrace Bay, Hearst, White River and Longlac.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have a tremendous amount of respect for the Hon. Member. I can assure him that I in no way want to belittle the seriousness of this issue of the difficulties in northern Ontario, nor the problem to which he alludes. I think the Hon. Member is aware, however, that discussions have been going on between the provincial Ministers and the federal Minister with respect to the strategy which will be employed to fight this countervail tariff. A First Ministers' conference will take place in Vancouver during the next couple of days. This will be a topic for serious discussion there.

Consistent with the Government's approach to governing the country, a joint federal-provincial approach will be taken. I am sure the strategies will be discussed in detail in Vancouver during the next two days.

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[Translation]

CROWN CORPORATIONS

JUSTIFICATION FOR SALE OF TELEGLOBE CANADA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of State for Privatization. How can she justify the sale of a Crown corporation that is in good shape and making a profit, in a sector where in other countries, such services are provided by the public sector? If she wants to bring prices down, why not urge Teleglobe to cut its prices, which can be done just as well by a public enterprise?

[English]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I have stated a number of times before that the principle of privatization is that when there is no longer public policy to be served, we seek greater economic benefits by having companies owned in the private sector. This is a good and profitable company. I think it has a very dynamic future in the private sector. It is the policy of the Government to ensure that the economic benefits for the employees of this company, as well as for all of Canada, are best realized in this way.

EMPLOYEES' PENSION PLAN BENEFITS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister admit that Teleglobe employees, who presently have a good pension plan, will be disadvantaged through a sale? Will she undertake to ensure that employees will not be worse off than they presently are with regard to their pension plan under a new employer?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, we have discussed the pension issue with the employees. There are avenues open for the employees to continue to carry on conversations with company management and ourselves about the future of the company. Contrary to the employees being worse off, they will be much better off in a dynamic, growing company. The people to ask are the employees of de Havilland, Canadair and Canadian Arsenals, all of whom have been buoyant and optimistic about their future.

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PHARMACEUTICAL INDUSTRY

EASTMAN COMMISSION FINDINGS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Does the Minister not agree that, after studying the problems of the pharmaceutical industry for two years, the Eastman Commission found that compulsory licensing has had no visible effect on the profitability of the pharmaceutical industry? After two years of study Mr. Eastman found that the pharmaceutical industries' profit exceeded that for all the manufacturing sector. He found that the former Patent Act saved the consumers of this country \$211 million a year.

If the Government agrees with the findings of the Eastman Commission, what is it doing introducing a Bill which will give a period of exclusivity twice as long as that recommended by Eastman?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member acknowledged that Eastman recommended change from the existing system. I would like to quote the words of the Hon. Member, the Liberal health critic. He said: "Higher prices might be justified if it led to more drug research in Canada. The proposed price increase should have a minor effect on consumers". I will assure the Hon. Member that we will have a lot more research in Canada and that there will be no price increase.

COMPENSATION OFFERED TO PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, how can the Minister of Consumer and Corporate Affairs stand in this House and say that the cost of drugs will not rise by one penny