

Patent Act—Trade Marks Act

drugs on prescription. It goes beyond the specific question of control drugs to the general question whether hospital pharmacies should be permitted to dispense to the general public.

It is our feeling that wherever it is possible within the federal jurisdiction to encourage hospital pharmacies to dispense to the general public this should be done as a way of providing more competition in the retail market and as a way of giving people an opportunity to buy drugs at the lowest possible price. It has been the experience of many people who have been able to get drugs at hospitals, when they were outpatients, for instance, that they could do so at about one-third of the normal cost. And the hospital was able to recover its cost. We believe that if this method of competition were encouraged the price of drugs to the general population could be substantially reduced.

Mr. Deputy Speaker: I might make some comment about this amendment. It appears to be irregular on much the same grounds as the previous amendment.

It is inconsistent in form and meaning with clause 5 (1a) which it purports to amend. Furthermore, it is suggested that it too goes beyond the bill now before the house since it also purports to amend the Narcotic Control Act. It would seem that one of its effects would be to modify or regulate a provision or provisions in the latter act, and if it were adopted it is suggested that the title of the bill now before the house should be amended to indicate that the bill also amends the Narcotic Control Act. For these reasons the amendment cannot be accepted by the Chair.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I move:

That Bill C-102, An Act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act, be amended by inserting immediately after Clause 5 (b) the following new subparagraph:

"(c) the establishment of a Crown Corporation on behalf of Her Majesty which shall be empowered to manufacture, sell, distribute and promote drugs offered for sale in Canada,"

Mr. Deputy Speaker: Again I confess to certain misgivings about this amendment but I am prepared to hear the hon. member for Waterloo briefly on the question.

Mr. Saltsman: Thank you, Mr. Speaker. We believe this amendment is relevant to the bill because it involves one of the principal means by which competition can be injected into the drug market. A number of questions were raised regarding this amendment when it was

[Mr. Saltsman.]

put forward in the committee and perhaps I might take a moment to deal with them.

First, let it be clearly noted that this is not a proposal for the nationalization of the drug industry. What we are calling for is the establishment of a competitor, a proprietary drug corporation which would provide competition in the drug field, one which is obviously becoming monopolistic, as a result of which prices are far too high. It is not important that this crown corporation take a very large share of the market. All it needs to do is to take a relatively small portion, as was done by some of the Swedish co-operatives, to indicate to the others concerned that they will have to lower their prices. A corporation of this type would be run very much like any other business. The chief advantage flowing from it would be the provision of real and effective competition.

The question of what would happen to the drug industry as a result of the passage of this bill has been raised and it has been said by some that imports will destroy the Canadian industry. I do not believe that will actually happen, but I urge those concerned about the maintenance of an indigenous Canadian drug industry to support our proposal for the establishment of a crown corporation because in a way this would obviate the necessity of importing drugs.

• (2:20 p.m.)

The government has indicated some measure of support and encouragement of some of the smaller drug companies in Canada in order to develop some competitive forces in the drug market. This would seem to be the aim of some government measures. This crown corporation could act as a useful marketing agency for new drug companies. Much of our drug marketing at the moment is done under national brand names. A crown corporation such as we propose would receive instant credibility and acceptability on the part of the public. It could establish its name in the marketplace and market on behalf of smaller companies products that might be more worthy but at the same time not readily accepted by the public or against which propaganda might be waged by the larger companies.

There has been increasing evidence that one of the great difficulties facing the small manufacturer in Canada is the vicious whispering campaign that has been conducted by the major drug companies against their competitors. These competitors, the smaller manufacturers, have been very effective in reducing