

Patent Act—Trade Marks Act

Next we believe that a standard cost report for all new drugs having sales of over \$500,000 a year should be filed with the department. This should include anticipated sales, proposed profit margins and proposed selling prices. Evidence before the Kefauver committee made it very clear that when some of the large companies develop a new drug, such as Parke Davis' chloromycetin or aureomycin, they were able in the first year or two to make net profits of between 40 and 60 per cent. Why was that? Because they were able to get the jump on everyone else. This was done at the expense of the consumers, and we think it ought to be stopped now.

As I said before, we believe that there should be an intensive doctor education program established regarding prescription drugs, prices, safety, quality and generic names. This can only be done by the government giving the food and drug administration the financial ability and the staff to do that kind of job.

There is one last point I wish to make. We believe that if we really want to bring down the price of prescription drugs, the Government of Canada should establish a crown corporation which would manufacture and distribute a limited number of important and basic prescription drugs. I want the house to be very clear on what I am suggesting. I am not suggesting public ownership of the drug industry, nor do I suggest the nationalization of the drug industry. We are not interested in taking over the drug companies. What we are interested in is that we establish a crown corporation which will probably make not more than a dozen or 15 important prescription drugs, a few antibiotics, a few tranquilizers and a few drugs in other fields. What we want is a crown corporation which will act as a yardstick. After all, if we had a crown corporation producing prescription drugs, there could be no question on the part of doctors, hospitals or consumers that the drugs are of high quality.

If the government follows our proposal, the corporation would operate as close to cost as possible. It would not be interested in making a profit, and the doctor would have a choice. He could use one of the brand name tranquilizers, one of the brand name antibiotics or else a product in the same field produced by the crown corporation. Since the doctor would know that here was a drug of high quality he could afford, on behalf of the patient, to look at the relative cost. If the

government had that kind of crown corporation, I am certain that the drug companies would do what they do in every other country, namely meet the competition. They would bring their prices down to meet the prices set by the crown corporation. That kind of corporation, which I think would not cost a great deal of money to set up, would save millions of dollars a year to the people of Canada. This is a program which we think would meet the needs and requirements of the Canadian people. It would bring down the price of prescription drugs and it would ensure safety. That is what the Canadian people need.

When I began I said that we were going to vote for this bill. We are going to vote for it because, as I said tonight and on other occasions, it is a small step in the right direction. But when you look at all the steps which this government proposes, I think the Canadian people will find that when they are implemented the government will not really have accomplished very much by way of reducing the price of prescription drugs.

[Translation]

Mr. André Fortin (Lotbinière): Mr. Speaker, the members of the Ralliement Crétiste have a few brief remarks to make on Bill C-102 entitled: "An Act to amend the Patent Act, the Trade Marks Act and the Food and Drugs Act". That legislation is the repetition of a bill introduced during the last parliament and put off indefinitely because of the elections.

The bill now under consideration will amend the Patent Act in order first to allow the Patent Commissioner to grant licences to manufacture medicines in any form.

This would allow for a broader and better sampling of drugs, and would give the possibility of making discoveries such as are made in other countries while providing a better service for the Canadian consumer.

Mr. Speaker, this legislation has two different aspects. It allows a more thorough sampling of drugs, a greater number and a wider variety of drugs. On the other hand, it might slow down domestic trade as imported products will take the place of Canadian products.

In that respect, the Drug Manufacturers Association of Canada claimed that imports now make up nearly 10 per cent of the sales in Canada which, between you and me, is not exorbitant.

In his speech of October 17 last, the minister stated that this figure of 10 per cent was