

The Budget—Mr. Olson

I hope the minister will keep this question in mind because it does seem to me to be a bit of a disservice to the senior citizen recipients of old age security to blame them for the total amount of the increase in taxes at a time when there is and continues to be a surplus building up in this fund.

I should now like to talk for a few minutes about the proposals in the budget regarding the price of drugs. The minister has said that effective September 1 the sales tax on all drugs, both for human and animal use, will be withdrawn. I noted with interest and appreciation that the Minister of Finance also said that he believed some of the other regulations which the government was now prepared to change respecting duties on importations would probably have at least as great or perhaps a greater effect on the retail price of drugs than the withdrawal of the sales tax.

We need an additional explanation, because I searched the budget speech in vain to find out what the Minister of Finance or the government intends to do about such things as the licences respecting the patent rights and importing of medicines or drugs. This has a very important effect on the price of drugs today. He did say something would be done with regard to the tariff schedules on drugs. The first recommendation made by the province of Alberta to the standing committee on drug costs and prices was:

Compulsory licences to import should be granted, subject to the payment of reasonable royalties. These licences should provide for the importation of semi-finished and finished dosage forms as well as bulk drugs.

We know there has been a sustaining feature in the price of drugs as a result of these acclaimed patent rights. We look forward to hearing not only from the Minister of Finance but his colleagues as well about what they intend to do regarding the regulations and the duty which must be paid on these drugs as they come across the border. I see the Minister of National Health and Welfare (Mr. MacEachen) in the house. Perhaps he already knows what the government's intentions in this respect are. I certainly hope he will not keep the house and the people of Canada waiting too long for these proposals.

The last matter I want to deal with is one which could properly be brought before the house during the consideration of the estimates of the Department of Transport. I realize that they have already been before the house for three or four days and it is highly unlikely, if the estimates of other departments are to be considered for a reasonable

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length of time, that the estimates of the Department of Transport will come before the committee of supply again. That is why it is necessary that I raise the matter at this time.

• (5:30 p.m.)

I refer to the subvention that will be paid by the federal government for the transportation of coal from the Crowsnest pass area of Alberta and British Columbia to the west coast. I raise the matter at this time, and I think quite properly so, because the Minister of Transport (Mr. Pickersgill) said in the house on January 23 last, when the new transportation bill was being discussed, in response to a question I asked him:

I would think that in any case where there was a possibility of a subsidy any government would be guilty of negligence in not being represented in order to see that as far as possible all the costs that were alleged by a carrier, whoever he might be, were properly checked and audited.

I do not have time to read all the quotations where the Minister of Transport outlined time and again that the first duty of the new transportation commission would be to establish the variable costs of moving any commodity. He repeated time and again that the Minister of Finance, the Minister of Transport and others would be remiss in their duty if they did not firmly establish what the variable costs of moving coal or any other commodity would be if there was any possibility of a subsidy being paid out of the federal treasury. We have not had an inquiry. We have not had a public hearing to establish the variable costs that the railways will be allowed for moving any commodity.

The reason this question is so important in my view is that I believe the Canadian Pacific Railway is doing a great injustice to the coal mining operations in the Crowsnest, as well as to the Canadian treasury, by demanding \$5.28 a ton to move the coal. The Great Northern Railway in the northern United States has offered to carry it for \$4 a ton. A group representing the coal mining interests in the Crowsnest pass went to the trouble of having a competent firm of cost accountants look into the matter and try to establish, on the information they had, what would be the variable costs of moving this coal. As appears at page 2162 of the Minutes of Proceedings and Evidence of the standing committee on transport and communications, October 31, 1966, Mr. Dutton who was speaking on their behalf said:

Our organization, R. L. Banks and Associates, made a cost study for the Coal Operators Association of Western Canada in which we estimated as