

*Patent Act—Trade Marks Act*

could convince me they were right I would change my opinion. But the more I listened to them the more I became convinced they were wrong. I do not think this bill will in any way discourage those who are carrying on research in Canada.

When research is done by a drug company it is not done in respect of a drug which is to be used just in one country. It is done in respect of a new drug or product which will be sold throughout the world wherever it is needed. If a subsidiary of a particular drug company decides to do certain research work in Canada the reason they do it here has nothing to do with the patent laws of the country. If a new drug is discovered that drug will not be sold only in the country in which the research is done. It will be sold throughout the world.

In addition the bill provides that certain royalties will be paid to the holder of a patent when a compulsory licence is given. These are royalties which would be fair in an attempt to repay the developer of the product for the research that has been done. Furthermore, under the regulations of the Food and Drug Directorate new drugs are given a five-year period in which to operate without competition. In that five-year period there is an opportunity to establish a market and recoup the cost involved in the development of the product.

Therefore I really do not see how these companies will suffer too much with regard to research programs. Even if they were to suffer a certain amount, it would appear from their high rate of return, an average of 20 per cent on invested capital compared with an average of 10 per cent in other industries, that they could stand a little cutback in that area, although I do not think they will suffer that much.

A few other arguments were made this morning. The hon. member for Simcoe North stated that even though a compulsory licence is given in respect of import drugs the federal government has not indicated any program to make sure that the cheaper import drug will reach the consumer. He asked whether the government intended to control doctors when they write prescriptions. Of course this was a red herring. The government does not intend to force doctors to write particular prescriptions. The government made an announcement in this regard and the hon. member should have been aware of this. It announced that it intends to inform doctors on a regular

[Mr. Allmand.]

basis, through the Food and Drug Directorate, about all the drugs that are on the market and their comparative prices so that when a doctor writes a prescription he will have information in respect of certain drugs which he might not otherwise have. He will know whether a particular drug is as good as the one he usually prescribes, whether it sells at a lower price, and he will know when he is prescribing it for an individual who is not too well off that it will do just as good a job as a very expensive one.

● (2:30 p.m.)

In asking that question this morning I thought the hon. member for Simcoe North was being very unfair. He said that 95 per cent of Canadian drug patents were owned by non-Canadians and that this indicated a lack of research in Canada. He suggested that through this bill we would discourage research to a greater extent. If 95 per cent of Canadian drug patents are now owned by non-Canadians, this situation must have developed during the time the present patent law has been in force. This does not provide a licence for importing. If the present law was that favourable to research we would have in Canada a much higher percentage than 5 per cent Canadian ownership of Canadian patents. The fact is that this 95 per cent foreign control occurred under the present law. If we are going to have a greater amount of research in Canada in the drug industry we cannot expect it to occur under the law as it now stands. This will have to take place as a result of government assistance to research in the drug and medical fields.

In conclusion let me say that we should be very clear that the people of Canada are faced now with extremely high drug prices. This has been confirmed by several studies. Very often the people in this country using these drugs are those least capable of paying or prepared to pay the prices. These are elderly people, sick people, the chronically ill and those without work. For that reason this bill should be passed as quickly as possible. It represents an attempt in conjunction with other measures the government is putting forward to correct this situation, and there is strong evidence that it will.

I am a member of parliament from the west end of Montreal and I know that some of my colleagues from that area are not as enthusiastic about this bill as I am. As a matter of fact, in the west end of Montreal there are many drug companies and many pharmaceutical houses. They have tried to