

Government Orders

• (1710)

The American study concluded that one of the main causes of the price difference between the two countries was that the Canadian government had taken action, as the report says: "In setting their prices, Canadian manufacturers of patented drugs must comply with Canadian federal regulations controlling the price of new medication and increases in the price of existing drugs."

Obviously the Patented Medicine Prices Review Board has done a good job and our policy works. As for the third issue, the alleged disappearance of the generic drug industry in Canada, that has not happened. That industry has grown twice as fast as the pharmaceutical industry as a whole since 1987. Here again, the critics were wrong, and if they continue to use the same arguments today to oppose Bill C-91 they will be wrong again.

This legislation enables us to strike the balance that we sought between two important factors: on one hand, consumer protection is maintained through strict price regulation; and on the other, we have a healthy, vigorous, competitive drug industry, which is precisely the type of knowledge-based industry that Canada needs for its future.

We have succeeded in every respect with price control and a policy that welcomes investment. Today we ask the Liberal opposition and the New Democratic Party to co-operate, because our business people, our young university graduates and our young scientists need a law to protect their inventions. This is why we ask all members to pass this bill as quickly as possible, particularly to help the economic situation in Montreal and in Quebec.

[English]

Hon. Lloyd Axworthy (Winnipeg South Centre): One of the basic articles of faith of any parliamentary system is that the government tries to tell the truth and to give to its citizens a fair and accurate appraisal of important matters in front of it so that the people will at least have the right to make a choice as to the legitimacy of legislation, good or bad, based upon legitimate facts.

We have been told that the reason for Bill C-91 is that it must be in full accordance with international treaties being initiated by this government, particularly the General Agreement on Trades and Tariffs and the North American free trade agreement.

In particular, it has tried to justify the retroactivity clause by saying that we had to go back and meet the new GATT laws.

What it did not say is that there is not yet a new GATT law. There is a set of proposals being discussed but it has not been agreed to, and if the French farmers have anything to do with it, it will probably never be agreed to. That is in the realm of speculation.

What is more dangerous and I think more erosive of the principles of this House is that even in that proposed GATT agreement there is no requirement, no hard and fast rule, that a country abandon its compulsory licensing provisions.

For the Minister for International Trade to go on to the lecterns of this country, trying to sell this legislation on the basis that somebody made him do it over in Geneva is pure, unadulterated hogwash.

Article 30 of the proposed GATT agreement, page 70 reads: "Parties may provide limited exceptions to the exclusive rights conferred by a patent provided that such exceptions do not unreasonably conflict with normal exploitation of the patent and do not unreasonably prejudice the legitimate interest of the patent owner taking account the legitimate interests of third parties".

In other words, according to article 3 three of the GATT proposal that is now being said as being the compelling reason why we must do Bill C-91, the Canadian government could properly argue that any drug monopoly will have a severe impact on the Canadian health care system, third parties such as seniors or sick people, and therefore have a legitimate reason for applying for an exemption under the GATT. Anybody who says differently is not telling the truth, is misleading Canadians and is attempting to bias the debate in this country to serve a particular purpose.

That is not even enough. Let us go to article 31(b) of the proposed GATT agreement and see how ironclad an obligation this is. I have the agreement here if anybody wants to read it. It is only about 400 pages long. I am going to read the quote directly:

"Where the law of a party allows for the other use of subject matter of a patent without authorization of the right holder, including use by the government or third parties, the following provision shall be respected: such use may only be permitted if part of such use the proposed user has made efforts to obtain authorization and this requirement may be waived by a party in the case of a national emergency or other circumstances of