

*Patent Act*

competing with the drug. At that time the original manufacturer will introduce a modified version of the drug, perhaps with a slight improvement or a change in packaging, or perhaps it will even throw in another small ingredient thus starting a new cycle of drugs. Through its massive marketing machinery it will be able to reintroduce this drug into doctors' offices and hospitals. This will prevent the generic drug producers from providing competitive pressure. In fact, what we will be faced with is a perpetual monopolistic situation.

It would have been more honest of the Minister if he had explained the working of such a system. However, he has totally ignored it. He has totally ignored the fact that we are now debating not some small modification but a major restructuring of the drug industry in Canada, along with the basic elimination of generic drug manufacturers.

That leads me to my second point. The Minister loves to stand up and say that this move will create 3,000 new jobs, new investment and new R and D. Where is the proof and substance for that? First, in the commentary of the 1983 Economic Council of Canada report it was clearly indicated that prior to the imposition of compulsory licensing in 1969 there was no higher rate of R and D investment. It was indicated that there was no higher rate of research and development in terms of cures for cancer and all the other things mentioned by the Minister. In fact, the level of R and D investment by the major pharmaceutical manufacturers was the same after 1969 as it was before 1969 when full patent protection was in place. Based upon this history there is no confidence that there will be any increase in investment.

What we will find is that there may even be less commitment since one of the changes that has taken place between June and October—a strange interlude of time in which the American drug manufacturers apparently had far more knowledge than Canadians did as to what was going on—is that the Government eliminated one of the few safeguards that was in the June legislation, a guarantee for manufacturers on investment in Canada. The one thing that the Government had said in June that would require foreign manufacturers to guarantee manufacturing in Canada has now been eliminated.

The question that will be raised in everyone's mind is, why did the Government cave in once again to the PMAC lobbyists south of the border? We know why. Once again, we know that the Government is selling out in order to try to appease its partners in the negotiation on free trade. Once again another price is being paid. Once again there is another surrender, another sacrifice. So far these negotiations have cost Canadians far more than we could ever calculate. We have already paid incredible prices for the negotiation, and we are paying it once again. Once again we are finding that the Canadian Government has found itself in a position in which another item on the American shopping list has been ticked off. Now that the issue of pharmaceuticals is out of the way it moves on to natural resources and the Auto-Pact. It is a weekly adventure to see what the next item on the American wish list will be. What we do know is that the wish list of last week will be the

Government's surrender of this week. In fact, that is the history with respect to what has taken place.

I point out that another part of the fabrication we have heard in the House is with respect to the Minister's projection of new R and D and investment that will occur. In any account has the Minister made reference to the fact that the generic manufacturers themselves were beginning to provide more research and development and more investment? In fact, we are at the stage of reaching a critical point. There was a grant advanced under the IRAP by a Tory Government to a drug manufacturer in Ontario in developing new facilities for the development of chemical ingredients.

The Minister talks about the jobs that will be gained. He does not talk about the jobs that will be lost. The Minister talks about the potential for R and D, not about that R and D which will be lost. If one wants to do a fair and proper calculation with respect to what is the net benefit, if there is any in this Bill, then it is only proper that all the facts are placed on the table.

What is interesting is that when it comes down to the question of how does Canada begin to develop its own industrial base we once again find ourselves in a situation in which 90 per cent of all drugs manufactured in Canada are manufactured through foreign subsidiaries. The only area in which we were beginning to develop a Canadian-based industry was in the area of generic drugs. The industry was beginning to develop a capacity for R and D and for manufacturing.

What will be the end result of the legislation the Government is bringing forward? It will wipe out the Canadian-based drug industry. Once again it will ensure that we are totally dependent upon the decisions made in boardrooms beyond our borders. That is one of the end results and one of the prices that we will end up paying.

I believe the Minister said today in Question Period that this is a cost-free incentive in terms of R and D. He is saying that this is a wonderful industrial strategy, that we can get all sorts of R and D moneys from these foreign corporations because we are changing the patent legislation. As I pointed out in my earlier remarks, the big foreign multinationals were in no hurry to invest in Canada prior to 1969. They have certainly not invested at any higher rate since 1969. I know they are making announcements now because they have been saving them up. They have been playing skilled lobbyist games.

• (1430)

Again, I would like to refer back to the Economic Council studies. In the long run, major incentive for developing R and D in competition with other countries has little to do with patent legislation. It has far more to do with direct incentives and support for R and D.

Of course, we know what the Conservative Government has done with research and development. It has slashed every single research and development budget of every single Crown