

*Patent Act*

I might just say as well that I have been here for a few years and this subject has been on the table many times. I can recall many years ago sitting in the House when a Bill in draft form was brought forward and it was suggested that patents be eliminated. That came about as a result of an item which appeared in the report of the Economic Council of Canada. Someone had come to the conclusion that patents were the cause of inflation so the Liberal Government of the day, now the official Opposition, decided it was going to bring forward draft legislation and hope to have it accepted.

The object of the legislation was to eliminate patents altogether over a period of 10 years, which would then place us in the same position as the Soviet Union, the only other country in the world which does not recognize patents. In fact, our inventors and scientists were going to be issued a certificate of achievement rather than a patent. I recall travelling across the country speaking against that proposal.

Through the years we have seen other initiatives brought forth which were not accepted. We have watched the development of new drugs in other countries. I feel the Bill before us today is a move in the right direction. I want to see it moved forward in debate and into committee as quickly as possible. In view of that, I now move that the previous question be now put.

**Mr. Speaker:** I regret to advise the Hon. Member for Burlington (Mr. Kempling) that the motion he has placed before the House is out of order. I cite Beauchesne's Fifth Edition, page 158, Citation 459, and May, page 379. As a consequence, debate will continue.

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, first let me say that I am shocked and amazed that a distinguished Member of the House, the Hon. Member for Burlington (Mr. Kempling), who has long proclaimed his interest in the freedom of speech and debate in the House, would resort to a subterfuge of parliamentary tactics to try to suppress and expunge the free expression of opinion on a matter which affects so many Canadians. It is a great disappointment, not only to Hon. Members on this side of the House but, I am sure, to his constituents, that he would make such an effort to try to close off and snuff out the opportunity of the House of Commons of Canada to at least have a preliminary examination in second reading of this Bill.

However, Mr. Speaker, once again the wisdom of the Speaker has prevailed and we can now proceed to look more seriously at the pretensions and protestations we have heard from the Minister of Consumer and Corporate Affairs (Mr. Andre) who, in his activities in the House, in trying to justify the rationale for this particular piece of legislation, has looked so much like a person suffering from an extreme case of summer heat rash, uncomfortable, irritable and totally out of sorts with himself and with what he is trying to do.

The fact is that in trying to find the slightest shred of reasonable and rational justification, he has resorted to what is commonly known in the language of communications as the

"big lie", the fabrication or setting up a whole series of straw arguments which do not hold any weight or substance. If I might, I would like to spend a moment or two examining some of the positions put forward by the Minister and refute and challenge them so that we can once again get back to the real issue, which is why do we have this Bill in front of us?

The first argument of the Minister of Consumer and Corporate Affairs is that really this is not going to have any impact upon price. He said it may increase the cost but will not affect the price. That is one of those interesting forms of what one can only call "Tory logic" that somehow the increase in cost has no impact upon the price.

• (1420)

The fact of the matter is that under the present system when a pharmaceutical manufacturer introduces a new drug it comes in at an artificially high price. It is only when the generic drug is introduced that the competitive dynamic forces the price down. So when the Minister says that this measure will not affect the price in any way he is talking about the original set price when a new drug is introduced. He is not talking about the type of price that would be in consequence of a competitive dynamic at work. He has neglected to explain what is the fundamental, rudimentary element of a market economy. That is surprising coming from a Conservative Minister since such Ministers love to wave the flag of the market economy.

In this case they are denying in no uncertain terms the workings of a market economy. They are saying that we are breaking the monopoly position established through the patent right and that through compulsory licensing we will change that. They are saying that we will eliminate the force of competition upon a particular drug, therefore eliminating the downward push and pressure on prices. That was clearly the import of the Eastman recommendation.

Dr. Eastman said that the compulsory licensing procedure had to be maintained at a reasonable rate for four years in order to maintain the competitive pressure on prices. When the Minister resorts to the form of dissembling information which states that, well, back in 1983 the Liberals said they would do the same as we are doing now, it is an unadulterated case of hog-wash. What was set up was the Eastman Commission which made recommendations to keep compulsory licensing and to increase royalties, but only somewhat for a four-year period. If that had been the prescription put forward by the Government then maybe we would be having a different type of debate today. The fact is that the Government has exceeded the impacts of the Eastman recommendation. In fact, by going to the 10-year patent protection the type of competitive force that we had has been eliminated.

What is interesting to consider is that if we look at the way in which the system will now work we will see that as pharmaceutical manufacturers introduce drugs they do so giving those drugs an eight or ten-year shelf life, at which time the generic drug manufacturers are prepared to come in to start