

*Patent Act*

Compulsory licencing has not had a discernible negative impact on the profitability of the pharmaceutical industry in Canada.

In other words, the generic drug industry has had no negative impact on the drug industry in Canada. This is the Eastman Commission speaking, not me.

We also know, Mr. Speaker, that 4 million Canadians are not covered by a private or Government medical insurance plan. Not just a few, but 4 million people! They are not protected against the price increases which we expect to result from this new legislation. More important, Mr. Speaker, generic drugs have helped Canadian consumers save some 211 million dollars. Ironically enough, the U.S. Government, which knows very well that our present drug system in Canada may be one of the best, one of the most competitive and one of the fairest in the world, presently is reviewing our system and considering implementing our methods in the United States where the price of drugs is terribly high, as we all know.

My question to the parliamentary secretary is very simple. Given the three or four arguments I just mentioned which, although not necessarily related, have an impact on the Canadian consumer, and considering that the Minister—and this is the subject of my question—has been repeating for a week that the cost of drugs will go up but not the price to the consumer, I would like the parliamentary secretary, who knows the Department well and is speaking on behalf of the Minister, to explain to us, during the few minutes remaining, how the Minister and the Government can say to Canadians that the cost will rise, but not the prices? How can we reconcile, in plain language, this apparent contradiction?

**Mrs. Bertrand:** Mr. Speaker, what the Minister has been saying since the beginning is that the price of drugs will not increase as a result of this Bill. Naturally, if there is some inflation and if all prices go up, the price of drugs might follow, but it will not be because of this Bill.

Secondly, a prices review board will monitor all drugs sold in Canada. You mentioned the percentage of Canadians not covered by a plan that will have to pay, or already pay, for their drugs. We have statistics showing that 85 per cent of the population is covered by Government or private pharmacare plans.

I have difficulty understanding the opposition to this Bill, especially from the Liberals, considering that in their days, in 1983, they published a working paper, probably under pressure from the pharmaceutical companies, where they proposed changes to the Patent Act in order to promote investment and research.

In the working paper he signed, Andre Ouellet, the then Minister for Consumer and Corporate Affairs, said: "In order to speed up the development of this industry, the Canadian Government has decided to modify the Patent Act in such a way as to counterbalance the policies adopted in 1969". Even though the minister had decided in 1983 to amend the act, the Liberals never had the political gut to go through with those changes. Mr. Ouellet also said in that same working paper

that: "The capacity to invest more into research and development seems to remain the privilege of patent holding companies. The provisions to extend the patent ownership protection period could be more favorable in that regard."

**Mr. Gauthier:** It is true that in 1983 the Hon. André Ouellet tabled a discussion paper to have the whole issue examined. It is also true that following that, the Eastman Commission was appointed to inquire into the problem and submitted its report. My position is not that the issue should not be examined, but I suggest to the Parliamentary Secretary that the problem is the following: in 1968, before amendments to the Patent Act were introduced, drug prices in Canada were among the highest in the world. Drugs were very expensive. Ever since we introduced amendments to the Patent Act, we have enjoyed in Canada the lowest drug prices in the world. So there is a connection between those two facts, there certainly have been downward pressures since, according to statistics, we now have drugs at the lowest prices and of equal if not higher quality than those of many other countries. Here is my question to the Parliamentary Secretary: How can she reconcile the fact, as has been confirmed, that our drug prices are now among the lowest in the world with the fact that those costs were among the highest before the introduction, in 1969, of legislation to amend patents? How can she acknowledge those facts and claim today that, although she will give in to drug companies and eliminate competition from generic manufacturers, we will maintain for sick or old Canadians a price system that is fair, equitable and reasonable?

**Mrs. Bertrand:** In my view, one does not exclude the other, Mr. Speaker. We can still have very low cost drugs, as we presently have, the only change being that it will take longer for generic drugs to reach the market than at present. It takes approximately 10 years for generic drug manufacturers to put a product on the market, and the protection we are extending to pharmaceutical firms is 10 years. Therefore, there will be no change.

Now, you said that Canadian drugs prices are the lowest in the world. Good for us! But since the 1969 Act was passed, drug companies have left the country, scientists have gone and our young university graduates cannot find research jobs. I therefore believe that we can accommodate all these interests, those of researchers, scientists as well as university graduates, and at the same time, through a price review board mechanism which has never existed before, control the prices of generic drugs and other products.

● (1540)

[English]

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member for Ottawa—Vanier (Mr. Gauthier) a further short supplementary in order to maintain continuity.

[Translation]

**Mr. Gauthier:** Just a short supplementary, Mr. Speaker. In view of what the Hon. Parliamentary Secretary has just said,