

*Government Orders*

First of all, we want to strengthen patent protection for brand name pharmaceutical products. We want to eliminate compulsory licensing and we will be the last major industrial country to do so. We want to provide controls in pricing of both new and existing patented drug products. We want to introduce the principle of innovation and discovery and to demonstrate that it will bring value both in terms of costs and cures and in terms of medical treatment more assuredly than any protection process.

I would like to quote Dr. David Stewart. I am sure this is probably repetitious, but it bears repetition. He says:

Brand name companies develop new medications at tremendous expense. It now takes between \$100-\$250 million to develop a new drug and bring it to market. For every drug that is successfully marketed, there are large numbers of others that prove unworthy of further interest part way through their development.

The new drugs that do make it to market save lives and alleviate suffering. In the process of doing this, they can save society and individuals very large amounts of money—they are highly cost effective.

They bring into the realm of knowledge products that otherwise would not ever have been available. This debate is about innovation and its relationship to Canada's future. It is also about the special importance of new knowledge and new understanding in a particular field, modern health and medicine. Where pharmaceutical research is concerned, humanity simply does not have the option of staying put.

Scientific exploration has allowed us to defeat many diseases and to alleviate much suffering which has burdened past generations, but many deadly scourges such as cancer, AIDS and so on remain unconquered and present tremendous challenges to us to conquer.

My family in recent months has had experience with heart disease. It has been very surprising and gratifying to me to realize that just in recent years there have been advances in drug technology that, if the patient can get to the hospital in time, frankly save lives which otherwise would not have been possible. As Dr. Richard Gallop,

executive director of the Ontario Heart and Stroke Foundation said:

While we are concerned about the question of the cost of drugs, we nevertheless recognize that considerable savings have been achieved in the cardiac area, in recent years, because of the break-through in drug technology. This has resulted in a substantial lowering of death and disability from heart disease and stroke.

I can speak with firsthand family experience that that is so. Therefore, it is absolutely necessary to encourage this work of discovery.

The fact is that strong, innovative pharmaceutical industries do not grow full-fledged out of the ground. They rise from the ground up, one laboratory after another, until clusters form and eventually a strong sector emerges.

Between 1988 and 1991 basic pharmaceutical research, and let me underline basic research, has more than tripled; from about \$30.2 million to \$94.2 million. Today the innovative pharmaceutical sector leads all others in the funding of medical research.

There is another basic principle involved here and it is that protection for the innovator and the developer is consistent with consumer interest in knowledge-based industries. What does the record show? Five years ago the opposition predicted that increased protection of patents through Bill C-22 would produce an explosive increase in the price of drugs. It did not happen. Over those five years, according to the Patented Medicine Prices Review Board, the average rate of increase in the price of patented drugs was less than 3 per cent a year. That was lower than the rate of inflation for the basket of goods and services covered by the Consumer Price Index and lower than the rate of inflation.

This debate is also about staying in step with the times. It is about adapting our policies and our laws to match changing needs and priorities. This applies with particular force to the matter of compulsory licensing. Members on the other side have sought to move this argument back 30 years and to base their arguments on the priorities and challenges of that period.

In the late 1960s there was legitimate concern about the lack of competition in Canada's pharmaceutical industry. Compulsory licensing was introduced at that time to make it possible for a generic industry to get started in Canada. It was like planting and nursing a new tree. Compulsory licensing was needed to support the industry in its early growth. That was close to a quarter of a century ago and today we have an established generic industry in Canada and it is a strong industry.

Our innovative patented medicine industry is also well established and growing. It employs 18,000 people now