

Patent Act

that drug, it can make it absolutely ineffective. I suggest that those Members in the Opposition should study chemistry.

Mr. Benjamin: Balderdash.

Mr. McCain: It is not balderdash. It is scientifically correct and accurate.

Mr. Benjamin: National Health and Welfare approves generic drugs.

Mr. McCain: My wife was advised not to use generic drugs in her medication program. Her physician said that he had tried it with his patients and was dissatisfied because it caused them discomfort. While this does not condemn all generic drugs, I suggest unequivocally that the exactitude required for making drugs is not always duplicated by another manufacturer, generic or otherwise.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I am sorry to interrupt my hon. friend, but would he permit one short question?

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired. Debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to speak to Bill C-22, an Act to amend the Patent Act, which the Government is trying to ram through the House of Commons without adequate debate or opportunity for Canadians to see what is really happening in this regard.

Until 1969 we had the second highest drug prices in the world. Since 1969 we have had the lowest drug prices in the world and, in fact, the pricing regime in this country has been so good that the United States Congress and American authorities have examined the Canadian system to see if it could be implemented in the United States.

This legislation is designed to increase the cost of drugs in this country and see the profits siphoned off to the United States.

Let us consider the level of investment in research before the present legislation came into effect in 1967-68. We see that 3.5 per cent of funds from the drug industry were reinvested in research. We see that 3.9 per cent of the funds were reinvested in research in 1982.

The Minister of Consumer and Corporate Affairs (Mr. Andre) argues that we will have increased research and development in this country. Clearly, research and development is greater under the existing legislation by which there is no rip-off than it was before it was put in place.

It is quite obvious that this legislation is part of the "Irish eyes are smiling" syndrome that was conceived in Quebec City in March, 1985. The President of the United States, looking at his financial backers in the multinational drug companies, told the Prime Minister (Mr. Mulroney) that he had to make a deal and increase the price of drugs for Canadians so that billions of dollars could be siphoned off to the American

multinationals. No one in their right mind believes we are going to have massive research and development in the drug industry in this country compared to the United States. The song which was sung in Quebec City in March, 1985 was *When Irish Eyes are Smiling*. If the Tories have their way they will be putting this legislation through by March 1987. At that time most of the multinational drug companies in the United States will be laughing all the way to the bank. The poor, the sick and those families who have to live with the high drug prices will be crying every year that this legislation is in effect.

● (1610)

There is no guarantee in the legislation that there will be further investment in research and development. The Minister knows that. There is nothing in the legislation to indicate it. He portrays himself as having some great agreement, but he clearly does not.

Our Party supports the Eastman Report which suggested that there be an exclusive four-year period for the designer-developer of patents and that there be an adequate royalty after that. There would be a royalty fund which would provide assistance and appreciation for further research and development. However, this legislation just gives a *carte blanche* to the drug companies for a 10-year period. If there is anything which really upsets me about this legislation it is the fact that our biotechnology industry which is just developing will be wiped out. It is going to be wiped out because the Minister in this legislation provides that not only the process be patented but that the product be patented also.

I would like to read a letter from Eric James, who is the President and Chief Executive Officer of Cangene Corporation, which is a genetic engineering company in Mississauga. I had an opportunity to meet with Mr. James and with some of the other officials in his company. It is a small company with \$5 million or \$6 million of Canadian investment, employing some 30 people. He states in his letter of October 30, which he sent to all Hon. Members:

As a result of intense pressure from U.S. and foreign based multinational drug companies, changes to the Patent Act that will kill the infant Canadian biotechnology industry are being contemplated. As one of a very few Canadian companies that is on the forefront of this exciting new science, we must warn you that the immediate introduction of these proposed changes will only serve to impede the growth of this industry in our country.

He goes on at length, and on page 2 he states:

The question you must ask yourself is this: do you want a viable Canadian owned non-government biotechnological industry within three years? If the answer is yes, you must reconsider the currently proposed changes to the Patent Act, and a policy that is in the national interest must be devised and implemented.

These companies will be wiped out by the legislation because not only is the patent to be on the process but on the drug itself, and as well there is going to be a 10-year period of exclusivity for the patent. It is estimated that in the next five years alone, \$10 billion worth of protein-based pharmaceutical products will be introduced into the world market-place, \$250