

Patent Act

Mail reported that shareholders could be in line for a bonanza from major pharmaceutical companies which, cash rich from drug sale profits, were buying back their own shares and considering an increase in dividends.

"The major reason for the growing generosity of pharmaceutical concerns toward their shareholders is that they are sitting on piles of excess cash from their booming business. Some of those funds amount to more than \$1 billion, which can be a drag on the balance sheet in the current low growth, low interest rate environment." The excess \$1 billion which is lying around is a drag on the balance sheet. These are the kinds of profits which these multinational drug companies have lying around and must do something with.

In the United States they are recognizing Canada's example in controlling the use of new drug discoveries. Henry Waxman is the chairman of the Subcommittee on Health and Environment of the United States House of Representatives Committee on Energy and Commerce which conducted hearings into the issue of drug prices and generic drugs. His subcommittee issued a report showing that prescription drug prices in the United States increased more than 79 per cent during the past six years. The industry had spent only one out of every three dollars of that increase on research and development. But the Minister of Consumer and Corporate Affairs (Mr. Andre) is asking us to give the industry more money, which we will not recover in research and development. All we have is a promise and nothing else.

● (1610)

The Hon. Member for Dauphin—Swan River (Mr. White) referred to the Minister of Consumer Affairs for Manitoba of acting like a political opportunist when he opposed the legislation. I ask the Hon. Member if he considered the Minister of Consumer Affairs and the Minister of Health for the Province of Newfoundland to have acted as political opportunists when they criticized the Government of Canada for its legislation?

The people of Newfoundland were told for many years by the Party in power in Newfoundland that when we the Newfoundland Provincial Government and the federal Government are of the same political persuasion, we will see the kind of development Newfoundland needs to take its rightful place in Confederation. The Minister of Consumer Affairs of the Province of Newfoundland advised members of the committee that in June of 1985, he was first presented with the federal proposals to amend the Patent Act. At that time he outlined the province's concern that they would have a significant impact on drug prices in Canada, especially in Newfoundland and Labrador. On May 22, 1986, he wrote to the then Minister of Consumer and Corporate Affairs advising him of his Government's strong opposition to the federal Government's plans to amend the Patent Act.

There were further proposals given later to the Government in June, and in September when they were again discussed, the

Government of Newfoundland considered the argument put forward by the Minister of Consumer and Corporate Affairs. After consideration, the Government of Newfoundland would still not support the amendments. The concern expressed was for the impact on the consumer due to the expected drug price increases, and the lack of commitment of the federal Government to any definite job creation and business development plans of the Province of Newfoundland as a result of these amendments.

The Parliamentary Secretary for the Minister of Consumer and Corporate Affairs said in the House this afternoon that there is nothing we can do except have faith in the promises—

Mr. Lewis: Point of order.

The Acting Speaker (Mr. Paproski): Order, please. I will be very generous as will, I am sure, the House, since this is the Hon. Member's maiden speech, and allow him another minute to wind up. He is now eight or nine minutes over his time. I hope I will receive unanimous consent to allow the Hon. Member to finish.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The Hon. Member has another minute to finish his speech.

Mr. Harris: Thank you, Mr. Speaker, and I thank Members of the House. In view of the comments made by Government of Newfoundland to the Senate committee, it seems that this is not an attempt to take cheap political shots at the federal Government. There are serious objections to the Bill. I would ask the House to consider a statement by Dr. Twomey, the Minister of Health for the Province of Newfoundland, who is also a physician. This is important because we have heard that 10 years is needed in order for the drug companies to make enough profit to pay for their research. Mr. Twomey stated:

As a physician, I know that the therapeutic lifetime as the drug of choice of most drugs is probably around 10 years. When a drug has been on the market for that long, there are usually changes in the formulation, and an entirely new drug in the same therapeutic class will appear on the market, which does essentially the same thing, but probably is deemed to be marginally more therapeutically beneficial for the particular disease or disorder.

That seems to me to indicate that once the 10 year monopoly period is up, it could be all over for a new drug, and the generic companies which are trying to produce cheaper drugs will be out of the door, in any event. The Parliamentary Secretary to the Minister admitted in the House this afternoon that the problem seems to be that we can do nothing but trust the drug companies and take them at their word—

Mr. Lanthier: Mr. Speaker, I rise on a point of order. Even if it is the Hon. Member's maiden speech, he is not allowed to refer to the absence of a Member of the House of Commons.

The Acting Speaker (Mr. Paproski): I do not believe he did.

An Hon. Member: He did not.