

Government Orders

world respect each other's patent legislation the same as they respect each other's copyright legislation.

If it is too difficult for the member to follow in terms of patents maybe we could talk about something as easy as copyright. An Anne Murray produces a record in Canada and would like to get royalties when her records and CDs are played in the United States. We recognize other countries' patent legislation and copyright legislation, and they respect ours.

If Canada is the only industrialized country in the world that does not have 20-year patent legislation, then why would other countries want to respect our patents?

The world has become a global community and if we do not respect the patent legislation of other countries, they certainly will not respect ours. If we are going to short-cut the system, if we are going to peel off a couple of extra years, kind of cheat the international system, abrogate GATT and other international agreements, then pretty soon other nations are going to start looking at Canada as they look at some banana republic that does not respect patent legislation anywhere in the world, that does not respect copyright legislation. That is only one point I wanted to mention.

• (1740)

He also talked about this era of investment that began in 1987. I would like to take a look at that era of investment and how it has not started today with the announcement of a \$170 million research and development program in his area, but how it has been happening all across this country for the past four years, and how it will continue.

In 1987 Parliament passed Bill C-22, an act to strengthen the pharmaceutical patent legislation. At that time there was a furore over its implementation and the perceived effect it would have on Canadian research and development, drug prices and the generic drug manufacturers, the same kind of hullabaloo that we are hearing from the opposition today.

I would like to go over with members what type of research and development has occurred in Canada since 1987 and what the industry plans to achieve over the next three to four years.

In 1987, as part of the implementation of Bill C-22, the innovative drug companies promised to double the research and development to sales ratio to 10 per cent by 1996 if the country improved patent protection.

Mr. Speaker, Canada did. We passed Bill C-22 and the companies more than delivered on their promises. They essentially met their commitment by 1991, five years ahead of schedule, doubling their research and development expenditures in Canada.

The question that many Canadians may ask, however, is how much of this investment went to the regions of Canada? Was it all in central Canada, or were there jobs in research and development for the regions? Also, are there likely to be benefits for the regions in the future as part of the new legislation being debated?

As I mentioned earlier, it is apparent that the patent pharmaceutical manufacturers have more than delivered on their 1987 promise. The innovative industry has spent close to \$1.1 billion on research and development in Canada since the Patent Act amendments of 1987. In 1991 alone, a year of recession in this country, research spending by innovative pharmaceutical companies totalled \$376 million, a 23 per cent increase over 1990.

How many other industries in Canada saw such a growth in capital investment in that same period? It is readily apparent that the Canadian pharmaceutical industry is a Canadian success story that government should applaud and assist. In doing so, the industry will be encouraged to spread its success to all regions of Canada in an environment of co-operation and achievement.

These achievements have already begun to pay dividends in the regions of Canada that in the past were not traditional centres for investment in research and development.

Since 1987 and the revisions to the Patent Act, the innovative companies have created 2,400 jobs in Canada. These jobs are quality, long-term jobs that the regions of this country need to diversify and strengthen their resource-based economies. These jobs also attract the best students and professors for the universities that want to expand their horizons into the high-tech world of pharmaceutical development.

Perhaps the best way to understand what the effect of Bill C-22 has had on areas outside of central Canada is to examine the amount of investment into research and development that has occurred in these areas since its implementation. The Patented Medicine Prices Review Board has reported that in the period 1988-91 industry investment in research and development in Manitoba