

Patent Act

the development of better pharmaceutical products. For instance, treatment for cancer, AIDS, Alzheimer's disease, and so on, could become quicker, better and less expensive. In fact, this will mean an improvement in the health of all Canadians. Greater medical knowledge and better quality drugs should also make our medicare system more efficient. In the long term, hospitalization costs should also go down.

The promotion of pharmaceutical research will put Canada in the forefront. Canada will no longer be considered a place where there are only clinical tests and virtually no fundamental research. Canadian companies will receive more encouragement to undertake all stages of research leading to the marketing of a new product.

Mr. Speaker, for over a year, editorial writers throughout Canada have written often and well in support of this new legislation.

On May 25, 1985, Frédéric Wagnière wrote an article entitled "The Social Usefulness of Patents" in the newspaper *La Presse* which said the following:

It is just as certain that the Canadian legislation which has allowed this imitation since 1969 penalizes pharmaceutical companies which carry out or used to carry out research in Canada. But the return to an adequate protection of patents would not necessarily affect consumers negatively: a dynamic Canadian pharmaceutical industry, at the forefront of progress, would certainly be an excellent guarantee against the constant increase in medical costs.

And Mr. Wagnière to conclude:

When making his decision, the Minister will have to take into account the interests of consumers on the one hand, and those of a major industry on the other. These interests are not incompatible; but the industry must regain strength and enjoy the same protection as its competitors in all the other countries. The Government must be able to curb the abuses of this protection, but a few cases of abuse should not warrant striking a death-blow to an industry.

In the February 26, 1986, issue of the Ottawa *Le Droit* daily newspaper and under the headline: *Our scientists are crying for help*, Alain Dexter wrote:

Canada is the only country in the free world to have legalized this type of practice which is nothing but a form of piracy.

• (1530)

He wrote further:

A number of Ontario and Quebec scientists, including famous endocrinologist Dr. Michel Chrétien, from the Clinical Research Institute of Montreal, have denounced Bill C-102 which gave rise to the generic drugs industry. According to Dr. Chrétien, experience has shown that the legislative action taken in 1969 to create competition in the drug industry has mostly discouraged research, forcing a number of our most prominent pharmacologists to move to the United States.

And the editorialist to conclude:

At the same time, Canada has lost nearly 2,800 highly specialized jobs. In the area of pharmaceutical research, we have now the status of a banana republic of an Eastern country. Our scientists are perfectly right to be crying for help.

On March 25 last, even before the previous minister, Hon. Michel Côté, introduced his bill in the House, Albert Juneau wrote in *Le Devoir* newspaper:

Has the time finally come to put an end to one of the most costly and absurd liberalities Canada has allowed itself over the past few decades? Since 1969, there is no longer in Canada any patent rights on pharmaceutical products.

Canada is the only OECD country not to guarantee such rights. Everywhere else, pharmaceutical discoveries are protected for a period of at least 17 years.

Mr. Juneau continued:

The impact of the Patent Act is mainly being felt in research centres. There is no incentive for large corporations to invest in research and have research teams, knowing that they have no guarantee of recouping their costs. In that context, what can be the future of a University of Montreal graduate in Canada if research opportunities are greatly reduced by legislation and competition that is really unfair?

He concludes with the following:

The unreasonable giveaways in the current legislation have led to one of the rare unanimous motions being passed in the Quebec National Assembly. On two occasions, in June 1984 and in the summer of 1985, both parties in the Assembly called for an amendment to the federal legislation that would offer better protection to the drug industry. Canada cannot afford to hand out any favours to competing countries. The federal Government must restore a situation that was totally jeopardized by an untimely intervention.

Mr. Speaker, I could go on, but let me quote the Canadian pharmaceutical industry which says:

For the benefit of Canadians.

Canada has everything to gain from a renewed policy that would better recognize patent rights on drugs. The long-term benefits to consumers, derived from better incentives to do research, exceed any savings gained on generic drugs; such savings are deceitful, because they are of a temporary nature and on a very short-term.

Mr. Speaker, I conclude with a final quote from Ottawa's *Le Droit* of November 19, 1986, which is very recent. Under the headline "It was about time", columnist Alain Dexter wrote:

The Mulroney Government took courageous action when it introduced a bill aimed at returning to the drug industry which is investing in research and development the ownership that was taken away from it by the previous Liberal Government, allegedly to prevent a sharp rise in drug prices in Canada.

And Mr. Dexter adds:

There is nothing exaggerated in speaking about the courage of the Mulroney Government. Indeed, we believe the opposition will jump at this opportunity to take it to task immediately there is the smallest price increase on the drug market. Such a behaviour would be really demagogic because such a bill as presented by the Government could not possibly have a conclusive effect on prescription drug prices before a few years down the road. And even if it were to happen, the Patented Medicine Price Review Board provided for in this Conservative legislation would have a power of intervention that nobody could ignore.

Mr. Speaker, I will conclude by pointing out that we are eager to proceed as early as possible with the debate in committee where all parties involved may state their views on the bill which we feel is of the utmost importance.

Mr. Gauthier: Mr. Speaker, I would like to commend the hon. parliamentary secretary for rising to speak. She has been the second member on the Government side to speak on this Bill and we expect that others like her will have the guts to rise and explain the reasons for this Bill to the Canadian people. This is in fact why I would like to discuss this matter briefly with her. We know that the Eastman report clearly states about compulsory licencing, and I quote on page 259:

The profitability of pharmaceuticals clearly exceeds that for all manufacturing industries.

That is a fact. Drug companies make more money than the average industrial company. This is what the Eastman report says elsewhere: