

Patent Act

because the companies which develop those drugs were not prepared to bring them into Canada and allow them to be copied by the generic drug companies. Dr. Gagné gave an example of a new powerful heart drug called "Milrinone" as one drug which was not available in Canada because the company which developed it did not want it to be copied. Dr. Philip Seeman of the University of Toronto as well indicated that another drug in—

The Acting Speaker (Mr. Paproski): I would appreciate it if the Hon. Minister would reply to this particular question because the time is more than—

Mr. Redway: May I just ask the Minister if there are any other drugs which Canadians are being denied at the present time as a result of the existing legislation which will become available with the amendments the Minister is putting forward?

Mr. Andre: Yes, indeed, there are. I cannot give the Hon. Member a list. I do not know if a list exists. However, I am in receipt of representations, not just from Dr. Gagné but from a lot of physicians. I read into the record the other day a representation from a physician at the University of Ottawa who pointed out that as a clinical paediatrician he could not get access to certain drugs which would be helpful to, in his words, the paediatric world, in other words, children, as a result of our Patent Act. Hopefully, when we make these changes, that paediatrician who is treating the sick children of eastern Ontario will now have access to the full range of drugs in which to treat those children.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. Debate. I would say that this is the last 20-minute speech. The rest of the speeches will be 10 minutes.

• (1500)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to take part in this debate which, in my opinion, not only is important and educational but also shows just how different are the positions taken by the three political Parties in this House on this matter.

On one hand we see that the New Democratic Party does not want to change existing regulations, on the other hand the Government or the Progressive Conservative Party advocates too many changes, in our opinion. As usual, the Liberal Party, the Official Opposition, favours striking a proper balance by taking a moderate approach which, I think, is surely more acceptable.

The only way Canadians can really appreciate this debate is to view the matter in its historical context and perspective. The history of drugs in Canada reveals that 20 years ago ours was the country where drugs cost the most. Today, Canada is one of the countries where drugs are the least expensive. And why did we make major decisions many years ago, in the late

sixties, to change the legislation and reduce the price of drugs? It is because, as pointed out by the Leader of the Opposition who himself introduced a Bill in this regard in the late sixties, three studies had shown that our health services and drug prices were among the most expensive in the world. The Restrictive Trade Practices Commission, the Royal Commission on Health Services and, finally, the Special Committee of the House of Commons had all come to the conclusion that consumer prices for drugs were much higher in Canada than in all Western countries except the United States.

Why had the Government introduced Bill C-90 at that time? Obviously, it was not the ideal solution to amend the Patent Act and to use a method virtually without any equivalent in the rest of the world to regulate drug prices. The ideal solution would have been to come to an agreement throughout the country to control prices. In fact, this is the method used in France and many other European countries where the central Government has the authority to control prices.

When Government Members tell us that, in those countries, patents are protected for many years, much longer than in Canada, they forget to say that while pharmaceutical companies have patents which guarantee exclusivity for over ten, twelve, fifteen or eighteen years in certain cases, these companies agree with the Governments not to charge abusive prices to the sick and the consumers. There is therefore a negotiated agreement between the pharmaceutical companies and the state for an appropriate price control.

At the time, in Canada, the provinces did not want to abandon their authority over internal trade and retail sales. Consequently, the Government felt the need to amend the Patent Act to make it possible to copy the patents for certain pharmaceutical products and allow generic companies to market similar drugs at a lower price. And no doubt that action by the then Liberal Government bore fruit. Why did the drug companies not react at first? Quite simply because during the first years they suffered no impact, no damage from generic competition, since initially it took a number of years for generic companies to market comparable drugs. But with the passage of time, generic companies became more efficient—they could introduce drugs faster and compete with the major pharmaceutical companies.

It is certain that in the late 1970s and the early 1980s generic drug companies became more and more efficient, and whereas initially they needed seven or eight years, later they only needed three and a half, or four years to get to compete with products of the major multinational companies with drugs of equal quality and lower prices.

Then the large multinationals came to the Government and asked for amendments to the Patents Act. I can tell you that, as Minister of Consumer and Corporate Affairs, I accepted at that time the arguments that were submitted by the drug companies, and no one here in this House is denying that people who invest vast sums of money into research and are the leaders in innovative pharmaceuticals certainly deserve some sort of protection to recoup their costs and make decent