

Patent Act

become more and more intense. We saw Governments appearing which might be ready to experiment, as in the case of the American administration under Franklin Delano Roosevelt. That Government had no clear sense of how to get out of that situation and it remains a good historical question whether all the New Deal measures in the U.S. did get them out of the Depression in any significant way throughout the 1930s.

What did we see in Sweden? We saw a social democratic Party that was prepared to bring labour and capital together. We saw a Government sensitive to that kind of social harmony. It recognized the need for social programs and a government role in the economy. Through the 1930s it succeeded in avoiding the depths of the Depression which hit so many other countries. I need not remind you that those years produced Nazism which forged its way toward the horrors of World War II. Its racist policies were written across the face of Europe. We suffered the destruction of millions of people. That is what the failure of liberal constitutionalism in Germany produced.

Compare that with Sweden where we saw a Government which endeavoured to bring the classes together, avoid the great disparities which existed in other countries, and through sound economic and social policies make Sweden an envied country in Europe. Whatever we North Americans think in our happy days of our situation here, that is what democratic socialism represents. As my good friend suggested, the ignorance of Members and Parliamentary Secretaries and so on is never better revealed when they suggest that socialist countries are the poorest countries on earth.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in his rather pathetic speech yesterday in the House the Minister of Consumer and Corporate Affairs (Mr. Andre) made two points that I would like to argue with because they are a flagrant demonstration of either ignorance or impotence.

First, as you will find at page 10665 of yesterday's *Hansard*, the Minister talks about a commitment from industry to spend 10 per cent of sales on research, and about writing it into the law and making it specific. As you may recall, that was the Senate recommendation. After all, it is an important commitment and should find its way into the legislation. Yesterday the Minister took the position that that cannot be done. He went on for a considerable length of time attempting to prove why that cannot be done. Time is too valuable to examine each of the examples given. All I can say is that they are unconvincing and shallow, if not empty. The commitment to put at least 10 per cent of sales into research and development here in Canada is one of the main points of this agreement.

The Minister went on to say in his intervention that it is unacceptable that the Senate should exercise a veto over the House of Commons on Bill C-22. Let me remind him that he still does not understand what is going on in Parliament. The Senate has not vetoed anything. The Senate has performed within the constitutional mandate given to it. There is no

evidence anywhere—and it is astounding that the Minister would raise this red herring—that the Senate has used a veto power on Bill C-22. The Government has been shadow boxing in an attempt to create an impression that the Senate has gone beyond its constitutional boundaries. I have looked into this matter because it is important that Canadians know in detail what is going on. It is alleged that the Senate is flouting constitutional convention in the debate on the drug patent Bill and I would like to place on the record clearly what is happening.

● (1810)

The Senate is not rejecting the Bill nor vetoing it. It is only proposing amendments. Surely no one in this Chamber, including the Government, and particularly the Minister, would deny the right of the Senate to do that. It is constitutional. It has been done in the past and as long as the Senate exists in its present form it will continue to do so.

The next question is whether the amendments would be fatal to the Bill, whether they take away the proposed 10 year monopoly of the multinationals. They do not. Do they prevent or discourage the companies' proposed investments? They do not.

The next question which arises is what they do. They strengthen the Bill by doing four things. One, they strike out the retroactive feature of it. That is very important because the inclusion of that provision would penalize products already on the market. Second, they make the companies' promises of investment part of the law. In other words, they make them legally binding. Third, they provide for the withdrawal of benefits to companies which do not live up to their promises. Fourth, they strengthen the safeguards against excessive price increases both when a new drug is introduced and during its monopoly period.

What is wrong with all of that, Mr. Speaker? The Government says the Bill is perfectly acceptable. It is certainly acceptable to the multinationals, to the Government, and to certain people and organizations. However, I submit that it is manifestly unacceptable to the generic drug companies, the Consumers' Association of Canada, the opposition Parties in the House of Commons, and the Senate.

Let us tackle for a moment the alleged constitutional convention. Some university professors have pointed out that the Senate, as an appointed body, has no political mandate to obstruct the elected House of Commons. They go on to say that it is accepted by opposition as well as government Senators that the appointive nature of the Senate must necessarily make its rule subordinate—and I emphasize "subordinate"—to the elected House.

The question is how subordinate it must be. It would be hard to find an authority for the view that the Senate can never reject a Bill passed by the House of Commons. Certainly the Senate would never throw out a Bill for which the electors had given the House of Commons a clear mandate. The question is