

Patent Act

demands to give up self-government. Newfoundland had self-government for 100 years. In 1933, it gave up self-government as a result of the recommendations and demands made upon it by the international financial community.

In 1949, Newfoundlanders joined in Confederation with Canada. That was done with the hope that being a part of the great nation of Canada we would together be able to create our own destiny, decide our own future and determine our own priorities. What we now have before this House is legislation which is a direct counter to that.

The people of Canada have spoken about this Bill. Since 1969 we have had legislation and a format for the control and availability of drugs which was the envy of other parts of the world. Drug prices in Canada, compared to those in the U.S., improved considerably as a result of that legislation. A report prepared by the Department of Consumer and Corporate Affairs showed that in 1969, drug prices were 9 per cent higher in Canada than in the U.S. In 1976, they were 21 per cent lower than in the U.S. That shows that the legislation created the opportunity for generic drug companies to make available to Canadians in need these beneficial drugs at a lower price.

We have also heard much talk about employment and jobs flowing from the legislation before us. During a similar period, that is 1967 to 1982, employment in the drug industry in Canada rose by 28.8 per cent. In the U.S. during that same time, when they enjoyed the absence of compulsory licensing, employment rose by 22 per cent. So we have a decrease in drug prices and an increase in employment in Canada during that period.

Given these facts, how can we explain why the Government brought in legislation that turns the benefits of the 1969 legislation around and goes back to what we had before? How do we explain the fact that it makes available to the multinational drug companies a monopoly on the use of patents for drugs necessary to the health of Canadians?

● (1600)

As a newcomer to the legislature I made it my business to do research and prepare for this speech. I found out a number of interesting things. Perhaps I will bore the House with a certain bit of naivety. There is a history of efforts by the multinational drug corporations to influence the Government of Canada. It appears to have been very successful. It goes back to a very powerful cartel of multinational drug companies which, over the last 15 years, have attacked the generic companies in Canada and the United States. These companies have stopped at nothing in attacking generic drug companies.

I have before me a report contained in *Consumer Reports* of August of this year entitled "The big lie about generic drugs." This is the big lie being promoted by the Pharmaceutical Manufacturers Association in the United States. This comprehensive article says that with increased competition in sight from generics in the United States, beginning in 1983 the

major pharmaceutical firms opened a campaign of disparagement, which continues to this day, confusing and frightening doctors, pharmacists and patients alike. When Ayerst Laboratories, which operates in Canada as well as the United States, realized that it would soon face competition from a generic version of its drug called Inderal, a hypertension drug which was one of its most profitable drugs bringing in sales in excess of \$350 million per year, it started a propaganda campaign aimed at both doctors and pharmacists.

It told doctors that one ought to use Inderal because of its proven therapeutic efficiency, but that with the generic alternative the chance existed that the patient's response may be compromised. It warned the doctors of the possibilities of law suits from patients. They sent a letter to pharmacists discussing pharmacists' potential liability if the cheaper generic version were dispensed instead of Inderal. The letter warned of troublesome, expensive lawsuits which would generate adverse publicity.

The Food and Drug Administration in the United States called this false and misleading. It said it served only to confuse and intimidate pharmacists into dispensing only Inderal. This is the kind of activity these companies undertake in order to discredit generic drug companies. It is reported that pharmaceutical manufacturers spend approximately \$9,000 per doctor per year to convince them to use their drugs. This is an incredible amount of money to be spending on propaganda and promotion of drugs.

It is not surprising that these companies have supporters within the medical profession in these debates. These companies attempt to promote their drugs by taking doctors on trips to introduce them to their new drugs. Various other perks are granted to physicians in order to induce them to be sympathetic to the drug industry.

I am sure the House is well aware that as part of this campaign the Pharmaceutical Manufacturers Association took the opportunity to lobby intensively the Government of Canada, Members of Parliament, officials of the Department and Ministers. The former Minister of Consumer and Corporate Affairs, Ms. Judy Erola, said that the war got absolutely furious, that the lobbying was perhaps the strongest she had ever seen. Ms. Erola replaced the previous Minister of Consumer and Corporate Affairs, the Hon. Member for Papineau (Mr. Ouellet), who was pushing for changes in the drug legislation as a result of lobbying efforts.

As of March 30 of this year, Ms. Erola became the President of the Pharmaceutical Manufacturers Association of Canada. The most formidable and strongest lobby that the former Minister of Consumer and Corporate Affairs had ever seen had found a spokesperson in Ms. Erola after she ceased to be the Minister.

In bowing to the wishes of the multinational corporations the Government is assisting these corporations to increase their massive profits. The profits of these companies are, by any measure, outrageous. On January 6 of this year, the *Globe and*