

Patent Act

Meantime, the Government should surely be able to accept the Senate amendments and spare us a constitutional showdown.

On Monday of this week the *Globe and Mail* carried an article written by its national political editor, Hugh Winsor. It is entitled: "If Cabinet is serious about C-22, Andre should be put on leash". I do not believe any Member of Parliament has been tougher on the Minister than Mr. Winsor. The article states in part:

The Senate committee has shown how that could be done while maintaining the basic thrust that so engages the international drug companies and their backers in Washington—increased patent protection. When the Bill comes back to the Commons this week, Mr. Andre can continue barking. He can watch the Bill die and then attempt to use its death as a way to mobilize public outrage about an organization which, until recently, was at No. 101 on a list of 100 public concerns (unless, of course, somebody was in line to be appointed.)

But attempting to further raise the profile of the Senate and C-22 has its risks. Instead of worrying about the Senate, people might start looking beyond the Government's rhetoric and begin weighing the substantive issues of drug pricing, of lobbying, and on the puny performance of the drug industry with or without patent protection. In that balance, Mr. Andre and his preferred Bill come off as lightweights.

Mr. Winsor is right on because the fact is that when the system was put in place, according to the multinational companies, we deprived them of the financial ability to do the research necessary. In the years prior to 1968-1969 when there were no restrictions on the drug companies, when they were able to do whatever they wanted and whatever their parent companies did in other countries, there was very little research with the exception of insulin, which was researched and discovered not by any of the multinational companies but by the medical department of the University of Toronto. There was not a single major drug developed by the multinational companies when they were not hindered by the legislation which they claim was so inimical to their ability to make profit.

We heard about the unanimous support for the Government's Bill which comes from the Province of Quebec. In the *Montreal Gazette* on October 30, just a few days ago, Peter Hadekel wrote an article entitled: "Drug companies should consider compromise". He says in part:

The Bill was tied up in the Senate for months, leading to Conservative charges of obstruction and resulting in demands for Senate reform.

The Liberal Senators justify their actions by claiming that Canada has been burned before.

They cite the broken promises from companies such as Bell Helicopter, Textron Inc. and McDonnell, Douglas Corp., which won Government contracts and aid by promising the moon on job creation.

Now, the Senators say: "We want it in writing."

The ball is in the Government's court.

That is simply the fact, Mr. Speaker. The Senate amendments simply prove that even an institution which is really superfluous to a democratic system can sometimes come up with some good ideas.

The Senate amendments, if accepted by the Government, simply spell out in some detail the requirements the companies would have to follow. They would actually have to invest

money in research if they are to receive the benefits this Bill will give them. They have said that if this Bill is passed they will spend \$1.5 billion on research. The Senate amendments would require them actually to do that. They would require each company actually to do research before it could benefit from the clauses in the Bill which give them the kind of protection they have not had until now.

I say in closing that we have argued from the beginning that there was no need for a major change in the system of patents as they impinge on the development of prescription drugs. However, if we must have this Bill, then we want it to do as much as it can to protect the rights of ordinary Canadians. We believe that the Senate amendments move in that direction and so we are sympathetic to them. However, I have no real hope that the Government will listen to reason at this late date when it has not done so up to now.

Mr. Heap: Mr. Speaker, I listened with interest to the Hon. Member for Winnipeg North (Mr. Orlikow), particularly to his comments on the Senate amendments which, as he said, move in what we consider a constructive direction. I believe that he also said that the Senate amendments fall far short of what we in the New Democratic Party consider would be an adequate Bill, that they fall far short of correcting all of the problems we saw in the Bill. I wonder if the Hon. Member would care to enlarge further on what he thinks are the deficiencies of the Bill even as amended by the Senate?

• (1600)

Mr. Orlikow: The system we have had until now led to the situation in which generic drug companies, which are almost entirely Canadian-owned, after a period of time, which in fact worked out to about seven years, developed research and the prescription drug. They had the exclusive right to produce, market and sell that drug at whatever price level they believed necessary or possible. The system we have had until now permitted, allowed for, generic drug companies to apply for and to obtain a licence to produce that drug and, while producing that drug, pay a royalty to the original company. But they were able to produce many of the drugs which are most commonly used, drugs that are used for people who are depressed, drugs such as Valium, the barbiturates, or any of the other drugs which are very widely used. They were able to produce those drugs, and by the time the drugs were dispensed to the consumer, the person who had a prescription from his doctor, they could be purchased for half, or less, the price charged by the multinational company which held the original patent.

We say that that system worked quite well. We were prepared to accept the suggestion, the proposal of Dr. Eastman, that the system would be fairer if the period of exclusivity were more clearly defined and if the royalty paid to the company which originally developed the drug were increased from the present 4 per cent to some higher figure. Aside from that, we believed that the system was working well and did not