

into Nicaragua to try to make it say "uncle". They do not need to do that in Canada because we are prepared to say "uncle" at any given time. We have seen one example after another of the way in which the Government has done that; for example, the way in which it abolished FIRA, the gutting of the national energy policy, and backing down from its own stated policy—not a Liberal policy but a Conservative policy—regarding the publishing industry when Gulf and Western took over Prentice-Hall. We have seen the shambles of the last weeks with the Government's mishandling of the softwood lumber dispute with the United States. First, the Government was going to negotiate, then it was going to fight, now it is going to negotiate again. It reminds us of the Grand Old Duke of York who had 10,000 men. First he marched them up the hill, then he marched them down again. We are marching the people up and down the hill on this question of whether or not we are going to fight the United States on the issue of softwood lumber. No one seems to be very sure of the Government's intentions. The Government has made a complete shambles of that particular issue and it will pay for it. That is just one more example of the way in which the Government is completely mishandling our relationship with the United States.

The Government desperately wants some kind of agreement on free trade, yet the word coming from the chief American negotiator, Peter Murphy, is that if Canadians want free trade they are going to have to make more concessions. Peter Murphy did not say that last year. He said it last Friday after we had made one concession after another. But he says Canada is going to have to make more concessions if it wants a free trade deal.

There was pressure put on the Government at the Shamrock Summit by President Reagan. He told the Prime Minister (Mr. Mulroney) how important it was for them to get some action on changes to the Patent Act. Clayton Yeutter put on pressure, Peter Murphy put on pressure and, of course, the pharmaceutical companies have put on their own steady pressure.

As Canadians see what is happening in a wide range of spectrums, they do not like what they see. They see the entire Canadian-United States economic relationship being badly mishandled. They see we are bowing down to the dictates of the United States rather than standing up for the interests of Canadians. This Government, with the largest majority in Canadian history, just refuses to stand up for the interests of the Canadian people. We have drug legislation which is basically prescribed by the United States pharmaceutical companies.

Second, Canadians oppose this Bill because it is going to mean higher drug costs. All last week we saw the spectacle of the Minister of Consumer and Corporate Affairs (Mr. Andre) as he tried to quibble with the opposition and with the Canadian people as to whether or not there were going to be higher prices. Canadians are going to have to fork out more

money to purchase drugs at higher prices. That is not debatable, it is a fact. It is going to mean more money coming out of the pockets of Canadians to pay for drugs. The Minister himself finally had to admit that.

In the 1960s there was widespread concern in Canada about drug prices. The Hall Commission noted at that time that our drug prices were among the highest of any industrialized nation in the world. Drug companies at that time had 17 years of protection under the Patent Act.

There were three different commissions in the 1960s which looked at this issue. Each one of them called for more competition. They had different suggestions as to how this should be done. The 1963 Restrictive Trade Practices Commission recommended a very radical move, the total abolition of drug patents. Perhaps that would have been the advisable route to go. However, two later commissions, the Hall Commission and the Harley Commission looked for some kind of compromise route, and in 1969 a policy was adopted which allowed for a limited amount of patent protection and gave to other drug companies the possibility of producing generic copies of the original drugs in return for paying a royalty to the pharmaceutical company which had developed those drugs in the first place.

This policy, although it was passed by the Parliament of Canada and became the law of the land, was never really accepted by the pharmaceutical companies. Their opposition took two forms. First, they dragged through the courts practically every attempt to introduce a generic drug. The generic drug companies had to face court case after court case which slowed the whole process down and, incidentally, added considerable cost to drug prices for Canadians. Second, the pharmaceuticals opposed this whole issue by putting a great deal of pressure on the Government to change the Patent Act.

The Hon. Member for Papineau (Mr. Ouellet), who was the Minister of Consumer and Corporate Affairs in 1983, was the recipient of a lot of that pressure. He buckled under that pressure and the Government at that time changed his ministry and he was shuffled off to something else. However, under the pressure, the Trudeau Government in 1984 appointed Professor Harry Eastman to a commission of inquiry into the pharmaceutical industry. Professor Eastman made a number of very interesting points. He pointed out that since the 1969 amendment to the Patent Act, there had not really been any decrease in the profits of the drug industry. In fact, the profits had continued to grow.

May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes. The Hon. Member has 10 minutes left for his debate when Orders of the Day are called, plus 10 minutes for questions and comments.

It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.