

It might be wise to look at the question of patents. Here is another interesting aspect. I have checked the percentage of patents which are foreign owned because this is a good indication of the amount of research which is being done in each country. In the United States only 16 per cent of the patents operating in that country are not owned by that country. In Japan, only 34 per cent of the operating patents are not Japanese owned. In Germany the figure is 37 per cent, in the United Kingdom it is 47 per cent, and in Australia, a country quite comparable to our own it is 63 per cent.

What about Canada? Ninety-five per cent of the patents operated in Canada are foreign owned. We ourselves only own 5 per cent of our patent arrangements. If this is not the biggest mark against us for backwardness in research, I do not know what is. It is a sad reflection on research in Canada and it emphasizes the need for greater activity in this field, in short, for less reliance on research done by other people.

Turning to another point, again I find the minister's statement somewhat confusing, to say the least. Of the nine products listed in *Hansard* on October 17 I find that four are no longer covered by patent protection. Yet the minister puts forward this list in support of his argument on patents. The drugs listed do not necessarily sell today at the prices given in the list. Three of the patents will have expired by 1972, and only two of the products have significant remaining protection.

I want to take a closer look at this question. One of the arguments advanced in favour of this bill is that the patent laws as they now exist bring about increased prices. Italy has no patent laws. Consider the case of achromycin, one of the drugs listed on page 1512. In Rome, where there are no patent laws, achromycin sells for \$19.50. In Canada, the price is \$13.56. What effect do patents have there, I should like to ask the minister? Take the sulfa drug gantrisin. In Rome, the price is \$3.75, in Berne, it is \$4.34, and in Canada the price is \$3.64. You know, Mr. Speaker, there are two sides to every story and in this case the minister did not ride the two horses. He gave us one side but he did not give us the other.

Next I wish to look at the position of the drug enovid. In Rome, the price quoted is \$19.20. Here in Canada it is \$10.50. What about that? Next we come to butazolidin or phenylbutazone. Here is an interesting thing. According to the list the price in Canada is

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\$5.57. Mr. Speaker, I could go into a drug store in Toronto and purchase the same drug for \$2.15. I see the hon. member for Spadina is in the chamber, and he can confirm the truth of what I am saying.

Here in this list is premarin. The price in Rome is quoted at \$9.85. Here in Canada it is \$5.84. I could go on giving examples like these but I believe I have already said enough to show that the existence of patents does not always lead to higher prices.

I wish to refer now to the proposal for the enforced licensing of imports. Let me say this: a company obtaining a licence will likely choose the drugs for which there is the largest sale and upon which there is the biggest profit. This is a law of economics. It will leave to someone else the import of other products on which the profit is small and for which there is only a small demand. I wonder whether it is in this latter respect that the hon. member for Winnipeg North (Mr. Orlikow) wants a Crown corporation to operate.

Manufacturers will buy the necessary materials from the cheapest source and will always seek to sell in the most lucrative market. This always works to the advantage of the copiers of those drugs which have the biggest market, but it leaves the work of discovery and development for somebody else to carry on and finance. This being so, a good many years are needed before expenditures on the original investment in research are recovered.

The hon. member for Winnipeg North told us that millions have been made on two drugs in particular; he referred to chloromycetin and aureomycin specifically. I happen to know something about chloromycetin. In fact, the losses suffered in connection with this drug were terrific because it was recalled from the market. For a number of years it was not sold at all except under certain strict regulations. Millions were lost over the production of that drug. It has been made up since—

An hon. Member: How much had been made before it was withdrawn?

Mr. Rynard: They did not make anywhere near enough to cover their original investment. If memory serves me right, I had a chance to look into this one time when I was in Detroit.

I should like to point out that the cost of pharmaceutical research in Canada amounts to about \$18 million. More than 10,000 people are engaged in it, about 2,500 of whom are