

universities and technology and good incentives contributed to this situation. As a result, in addition to several Canadian research installations, some 14 foreign companies had established R and D facilities in Canada by the mid-1960s. Between 1963 and 1969 the pharmaceutical industry in Canada increased its R and D expenditures at an average rate of 18 per cent per year.

However, after the Patent Act was amended in 1969 to provide for compulsory licensing, the growth rate of innovative pharmaceutical companies in R and D declined drastically. This decline in growth rate was more than twice as severe as that of the industry world-wide, and twice as severe as that of other industries in Canada. The draft report goes on to say that the proposed new legislation should have a profound effect on the research investment of the pharmaceutical industry in Canada, both indigenous and foreign. It concludes by saying that the direction which the patent legislation will take if and when the new Act is passed cannot but be favourable to the expansion of medical research funding in Canada.

As a member of the Standing Committee on Research, Science and Technology I have for some months been questioning witnesses appearing before us on a number of matters, including this issue. I would like to bring to the attention of the House some of the responses I have received from various important witnesses in that committee. On April 18 we had before us officers of the National Research Council of Canada. I asked Dr. Larkin Kerwin, Chairman of the NRC, to comment on the current controversy related to R and D and the generic drug industry. I asked if he viewed any changes in the present regime as it relates to that industry, were they to be introduced, as beneficial to R and D in that sector. Dr. Kerwin said we have been fussing around for quite a few years now in this area in general. It is quite clear that one of the results has been the complete drying up of most industrial R and D in this field in Canada so we are simply not in the game anymore. We are not carrying out the R and D, so we are not going to get the patents and we will not therefore capture the market. It is a field we have effectively almost abandoned and the only way to get back into it is to provide the incentive to the industries in question. He went on to say that this is going to become even more important in the field of agriculture where biotechnology is going to be producing new grains and new plants and new cereals. If these cannot be protected, then we cannot expect the Canadian industry to put very many resources into it. He said that the whole future of the Canadian biotechnology industry is largely tied up with whether or not they can get a satisfactory patent law. That came from the Liberal-appointed Chairman of the NRC.

We also had before us Dr. Stuart Smith, another Liberal appointee to the Science Council of Canada. I asked him the same question on April 24. His response in part was that his own feeling about it, just from talking to people in the industry, was that it is possible that some of the big firms will locate research here in exchange for a change in Section 41 of the Patent Act. He said, "Sure, a \$1 billion shot in the arm for

pharmaceutical research would be wonderful. The Science Council, I am sure, would welcome such a thing". We know we have a commitment of much more than that, some \$1.4 billion so far. As the Minister pointed out this afternoon, almost \$700 million in new R and D investment in this area has already been announced.

On May 28 I asked the Chairman of the National Consortium of Scientific and Educational Societies, Dr. Gauthier, the same question. He responded, also on behalf of the Canadian Federation of Biological Societies—

[*Translation*]

Indeed the Canadian Federation of Biological Studies fully supports this kind of measure. Therefore I would urge the Government to take appropriate action and encourage the drug industry to do more research in Canada.

[*English*]

My time is running out, but there have been many other indications of support referred to in this House in Question Period and in the debate so far. We can refer to the many telegrams and letters of support from a great number of leading scientists. In my view the Bill is important. It is a reasonable compromise of important principles, protections and objectives. I think all fair-minded Canadians will view it in that light.

I have been discouraged by what I consider to be a low level, base, and non-intellectual attack, particularly by the NDP, in using scare-mongering tactics among the old and sick. We know all Canadians are covered by good health care and drug plans. Almost all senior citizens, certainly those on social assistance and in need of help, are protected.

I think it is unfortunate that the NDP in particular—and it is very hypocritical of the Liberals as well—is attacking at this low level some legislation which will once again bring Canada into the civilized community of nations as it concerns the protection of intellectual property. It will give us a strong biotechnology industry and will at the same time provide important consumer protection for all Canadians.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to participate in this very important debate because not only are we debating the question of whether we should extend patent rights to the pharmaceutical companies for up to 10 years, we are debating some important philosophical questions as well. The questions concern public good versus private interest.

It is always appalling to me to find a situation or situations where people make large profits because of other people's illnesses, weaknesses and misfortunes. I have listened to the debate and the justification by government Members for following the instructions of the multinationals. They have said Canada has and will be punished. We have not had research done here because those companies deem Canada not to be a good place because we have enacted some legislation in the past. I find that objectionable. Indeed, it is out and out blackmail. Yet government Members do not blush at all when