

Patent Act—Trade Marks Act

In the weeks to come we can expect additions to the lexicon of fear literature and propaganda against Bill C-102. There will be opposition, some of it from those who are sincerely concerned about some of the implications or what they believe to be the implications of this measure. But I fear, Mr. Speaker, that at least some of the opposition to Bill C-102 emanates from those with a vested interest in soaking the sick. Their specious reasons for opposing this measure are rooted not so much in a concern for the consumers of Canada but in a desire to maintain a status quo which has seen Canadians spend far too much on certain drugs.

Those who remain unconvinced that excessive profits are being made in certain sections of the drug industry should read the reports which have been amassed in this country by three committees, which indicate that this fact exists.

There are few members of this assembly who can remain unaffected by the letters and telephone calls received from people on limited incomes, pensioners, retired civil servants, people living on very small incomes with their purchasing power diminishing day after day but who are saddled with a drug bill. I can recall one lady who phoned me over the Christmas vacation to tell me she spends over \$75 a month for drugs.

Not only must we attempt to lower drug prices in this country but we should encourage provincial governments, where they have received substantial amounts of money under the terms of the national medical care plan, to proceed as soon as possible to provide a certain amount of drugs each year per family.

My telephone rang many times over the Christmas vacation and I was told the story of the effect the cost of drugs is having on many families in our country. Surely, a just society must be concerned about the ability of our people to maintain a decent level of health. And just as surely, if that level of health depends upon access to certain drugs at fair prices then an assembly of this kind must act to assure that drug prices are fair and that the drugs themselves are safe.

The brutal and tragic truth is that some families have been stricken by chronic illness, and there are thousands of them in my own province and across the country. As a result they have required large supplies of expensive drugs and have been virtually ruined by high prices. When it is demonstrated, as it has been, that many vital drugs are vastly over-priced, and when self-regulation by the

[Mr. Perrault.]

industry does not result in the establishment of satisfactory price levels for these drugs, any responsible government must act.

Some articles have appeared in national magazines on this subject. I have here *Maclean's* magazine for July 25, 1965, in which the president of one of the drug manufacturing companies wrote:

—the politicians and the public have to ask themselves if this is really in their own best interests—

Meaning the promotion of legislation of this kind.

If we abandon the patent system, we cannot expect Canadian companies to spend money developing new drugs. It is significant, I think, that all the important drugs have been discovered in the Western World and under the free-enterprise system.

He added:

One enormous advantage of the drug-patenting system is that it has encouraged a drug-manufacturing business in this country. Drugs are produced here under the regulations of Canada's Food and Drug Directorate and the manufacturer is responsible. If anything goes wrong, he's easily found and held accountable. There is a very grave risk that if all drugs were imported their general quality would go down.

• (3:40 p.m.)

This is the gist of the opposition to this measure which we have heard across the country. But it is not quite that simple. If we look at the report of the Harley committee we must ask ourselves the question, how much should Canadian consumers be required to pay for this so-called research. The report states:

The costs and benefits of alternatives must be weighed. The various inquiries re drugs have concluded that research on drugs in Canada is not significant, and that which does exist is not supported by the patent law.

Those are the facts, regardless of the public relations speeches made in this country. The report continues:

In terms of the manufacturer's dollar, 7 per cent is spent for research and development of all kinds as reported by 41 P.M.A.C. companies in 1964. This figure would be somewhat higher for 1965, possibly relating to increased tax concessions for Canadian research. If it can be assumed that the manufacturer receives only 50 per cent of the pharmacists' price to the consumer and the suggested list price for a specific drug was \$5, then the consumer's contribution to research and development as a result of that particular purchase would be 17½ cents—in any event, a fairly insignificant sum.

Then, we have the argument which has been cited that research will be endangered