

Patent Act

Let us consider the question of industrial benefits. Every Party in this House has said on more than one occasion that it is vitally important to Canada's future that we do more research and development in Canada. We must learn to live more by our wits and less by our resources; we must be there in terms of the new technologies. One of the most important new technologies on the horizon, a technology that could have the most profound effect on our lives, on our society, and certainly on our health, is biotechnology. We are not there yet. Who in their right mind will do research in this important area if the results of their research cannot be patented? The answer is nobody and, in essence, that is what is happening in Canada.

Last year in the United States there was \$4 billion spent on biochemical research. In Canada the figure was \$75 million. Some \$3 billion of that money in the U.S. was spent on medical research. The equivalent figure for Canada was \$25 million. So in this important area Canada is non-existent. We are totally out of it.

In terms of jobs, by conservative estimates, this change will generate 3,000 new high-tech jobs. In October of this year, the economic supplement of *Le Devoir* estimated that with multipliers and the like, this change will generate 10,000 new jobs in the Montreal region alone. How can members of the Liberal and New Democratic Parties call for jobs, jobs, jobs, high-tech jobs and jobs in research and development while at the same time say that they are opposed to this measure which will generate exactly the things for which they have been calling? How can they say, almost in the same breath, that they want more money spent at the NRC to continue to employ 20 radio astronomers and that we should not make these changes which will generate 3,000 research jobs in this important high-tech area?

● (1520)

We will be discussing whether or not there will be any costs. However, if there are to be any costs, they will be borne by the Government primarily because of pharmacare. One hundred per cent of senior citizens are covered by drug programs as are over 85 per cent of the population in general. Whatever costs there may be will not hit the consumers directly, as has been claimed. Even using the worst estimates of members of the New Democratic Party, the pay-out in terms of research jobs versus costs is far in excess of any pay-out that would come from providing the extra funds they would like to see us provide the NRC. To put it mildly, opposition Members are not being consistent in their arguments.

There have been suggestions made that the generic industry will be hurt by this measure. Nothing could be further from the truth. To begin with, all generic drugs currently on the market will continue to be marketed and sold. Second, drugs are coming off patent all the time. New opportunities for generic competition arise constantly. Finally, I would ask Hon. Members to look to the example of the United States. In that country, the generic sector is the fastest growing sector of the drug industry. That sector has been growing by 15 to 20 per

cent per year and now represents 25 per cent of the market. As well, the sector is very profitable, but the profits do not go into research and development. The numbers of jobs per unit of sales are far fewer in that sector than they are in the brand-name sector.

The generic industry will carry on and will be very profitable. It will exist and it will grow. It will not be damaged by anything we are doing here today. What will happen is that the innovative companies, the companies that undertake fundamental research, will now be confident that the fruits of their labour will be protected for at least a period of time and therefore they will be justified in carrying on with research.

We have received commitments from the industry to invest directly in research and development \$1.4 billion and to create 3,000 jobs between now and 1995. The commitment is worded so that 10 per cent of sales will be invested in research and development. That is about average for the rest of the industrialized world. Up until now, only 5 per cent of sales had been invested in research and development.

If one were to look at the industrial benefits by themselves without considering the questions of intellectual property and patents and our international relations, and even ascribing the most horrendous estimates of costs put forward by members of the New Democratic Party, one would see that this measure still points to a net benefit to Canada. There is a third reason for this action, and that has to do with multilateral relations.

It has been argued by some, and certainly by the CBC in its propaganda piece, that this action is somehow tied to the trade talks and that somehow we are being forced to do this by the Americans.

Mr. Orlikow: Yes, the Prime Minister (Mr. Mulroney) promised the President of the United States. You know that.

Mr. Andre: Since 1969, every single one of our partners in the western world has been after us to restore patent protection. A few years ago, the former Prime Minister tried to negotiate a special arrangement with Europe, and I think he called it a contractual link. He wanted to try to reduce our dependency. He found that the Europeans were just as upset as anyone else at what we were doing with patents.

In terms of multinational relations and lost opportunities for trade deals and investments, the cost to us of the Patent Act provision, which made us the only western industrialized nation that did not respect patents, has been enormous. The High Commissioner in London received a letter from the Association of the British Pharmaceutical Industry which read in part:

It is of concern that the Canadian Government, a regular participant in world economic summit conferences, should continue to promote a patent law which is so heavily biased against one innovative industry on which the well-being of the world is so heavily dependent.

That came from the British, not the Americans and not Ronald Reagan. The British are asking how Canada can expect to be treated as one of the top half dozen countries in