

*Patent Act*

It is important to recognize as well that the generic drug firms, in their discussions with the Minister, actually said that they felt that six years was a time period with which they could quite happily live. The protection is to be only seven years, which is not much longer than they had originally suggested was possible to live with.

The changes the Government has proposed in Bill C-22 provide incentives to generic firms to set up fine chemical manufacturing facilities in Canada to provide earlier access to the market. These provisions will increase employment for Canadians and will increase the availability of Canadian-made drugs to Canadian hospitals and pharmacies and to individual citizens.

The Government is also providing an incentive for Canadian drug research and development in Bill C-22. When a drug has been invented and developed in Canada, that is, when the drug is the product of Canadian research performed in Canada, it will be given protection from imported generic competitors for the full time of the patent. In that way we will again be encouraging the Canadian industry and the development and manufacture of Canadian drugs. To take full advantage of this protection the patentee must manufacture the drug in Canada. If that is not done, after the same seven-year period as for non-Canadian drugs, the generic firms will be able to activate their licences to manufacture the drugs themselves. The difference between the length of the periods of exclusivity for manufacturing and importing licences provides a much greater incentive for manufacturing in Canada and will maximize the employment benefits of Canada.

As I noted earlier, the Drug Prices Review Board will be headed by Dr. Harry Eastman who is, as we all know, one of the foremost outstanding authorities on this industry. This Board will provide a level of protection from excessive drug prices which is far greater than has until now been available to Canadians. The Board, which will have strong powers to call evidence and to pass judgment on the appropriateness of drug prices, will be independent. Its responsibility will be to ensure that Canadians continue to enjoy moderate and reasonable prices for patented drug products.

The provincial Governments, through their constitutional responsibility for the delivery of health care to Canadians and their involvement in drug cost reimbursement plans for their citizens, are the largest purchasers of prescription drugs. The importance of the provincial role in health care and the provision of drugs at reasonable prices is recognized in this Bill. The Drug Prices Review Board will be required to notify the Minister of National Health and Welfare (Mr. Epp) and the Ministers responsible for health in the provinces of any hearing which the Board is going to hold. The provinces are in fact being given a statutory right to present evidence to the Board in order to guarantee that they are heard. The Board will have the powers to compel companies to provide evidence on the prices for which they have sold the medicine in Canada and in other countries. When necessary, the Board will take into account the cost of making the medicines and determining

whether the price is appropriate. If the Board, after hearing and reviewing the evidence, decides that the price of a medicine is excessive, it will have the authority to compel the company to reduce the price to whatever level the Board feels is appropriate. As further punitive measures, when the Board deems it appropriate, it will also be able to revoke the exclusivity for a second patented product sold by that company.

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It is intended that the Board be able to act quickly in any cases of suspected excessive prices. That is why the Board will be small, consisting of not more than five persons, and will be supported by a secretariat.

The Board will review the prices at which new drugs are introduced, the prices at which they continue to be sold, and will deal with all patent medicines. By giving the Board wide scope in terms of the drugs it can deal with, and stronger powers to call for evidence and enforce its decision, Bill C-22 both extends and solidifies the price protection available to Canadian consumers of patented products.

I am confident that these amendments to the compulsory licensing provisions of the Patent Act will strengthen Canada's position as a participant in pharmaceutical research and development, and I am confident that it will strengthen Canada's pharmaceutical manufacturing centre and continue to provide Canadians with moderate and reasonable drug prices.

My hon. friends opposite should take note of the editorial in *The Globe and Mail* to which I referred earlier. It states that moving toward normal patent protection for pharmaceuticals is like getting out of rent controls. Opposition Parties fulminate, consumer groups agitate and, in this case, others will add the anti-American view. Fortunately, the Government has both the cause and the powers to do the right thing.

**The Acting Speaker (Mr. Paproski):** Order. Questions or comments. The Hon. Member for Edmonton—Strathcona (Mr. Kilgour).

**Mr. Gauthier:** I have a question, Mr. Speaker.

**Mr. Kilgour:** Mr. Speaker—

**Mr. Gauthier:** Point of order, Mr. Speaker. I have a lot of respect for the Member you are recognizing—

**The Acting Speaker (Mr. Paproski):** Order, please. Is the Hon. Member for Ottawa—Vanier (Mr. Gauthier) rising on a point of order?

**Mr. Gauthier:** Mr. Speaker, I take it that you will be asking the Member to put a very short question because the purpose of questions and comments is for the Opposition to question the Member, as has taken place during the day.

**The Acting Speaker (Mr. Paproski):** Order.