

On the drug side, however, we are told that we are not allowed to do things in the Canadian way. We are not allowed to decide how much intellectual property should be rewarded.

I think, just like the doctors, people who invent drugs should be well paid. Prices charged for drugs should recognize there is a degree of innovation and incentive to be put into this system and that we want to encourage invention and discovery and all the rest of it. I think we do that in the system we have.

Compulsory licensing is not theft. Compulsory licensing is not piracy. Compulsory licensing is a Canadian way of compensating the drug companies in a way which has made them the most profitable manufacturing business in Canada over the last few years.

It is since we had compulsory licensing and since the Tories began to take it away. They threw it out. Like the doctors who are in the highest paid profession, the drug companies have been the highest paid manufacturing companies. I do not think they have any right to complain that there is something wrong with our system of rewarding intellectual property.

Of course they have a right to complain but I am disagreeing with their argument. I say they have not made a compelling case and they need us to move to what they call a favourable climate for doing more research and development.

I want to talk about that for a moment. I can hear the drug companies say: We cannot go on working in this country because we are at a disadvantage here. If our taxes were too high, if our labour laws were too onerous, if our environmental standards and our pollution standards were too high, but they are not complaining about any of those things.

Those are the factors of government policy on which they could legitimately complain if we were out of line. The way in which we reward patents has nothing to do with the incentive to do research and development in our country. If they invent or discover something here, they will get all the world's patent protection that they would get if they had invented it in the United States.

However, they would be subject in Canada to what Canadians, I believe, consider a fair and appropriate reward for what they do. Therefore, they cannot get

away with the argument that they need a more favourable climate to do research and development. It is baldly this: They are saying it is a sovereign Canada. We want a more favourable return if we are going to do research and development.

I know I do not have a lot more time, but I want to say a word about the significance of research and development. I think it is wonderful. It is great to have it going on in the country. It provides high paying jobs for a small number of our brightest Canadians who I am happy to encourage to stay in the country. We pay a lot to get that. As taxpayers, we put in a big subsidy and a big incentive for them.

If we were also to agree to this legislation, we would be giving them for the \$500 million that is promised a very big return in the form of much higher drug prices, estimated by credible witnesses at about \$7 billion. Maybe that figure is higher than the true figure, but the government is not willing to have an adequate debate about that.

Its smash and grab tactic is preventing us from really looking at the figures and deciding who is right and who is not. I would like to say one final thing about research and development. What we like about research and development is that if something is discovered, it will be manufactured here. Then there will be hundreds of jobs for other Canadians who are not university graduates, maybe, and who are not the brightest and the best who are doing the research.

It is kind of the front line for all the work that goes in behind successful research and development. However, those drug companies will not give that work to Canada. If anything was ever discovered here—I hope it is and things have been discovered here even while we have had compulsory licensing—by one of those international drug companies, it is going to be made in Puerto Rico, not in Canada.

In Puerto Rico, they have a deal where they do not pay any taxes at all on manufacturing that is done in the drug area. What is so exciting about getting this research and development here? Are we getting a commitment that if they discover anything, it is going to be made here? Absolutely not. Are we getting an iron clad commitment even that they will do more research and development? No, we are not.

Government Orders