

*Patent Act*

Mr. Speaker, there is no obligation in this legislation for patent-holding multinationals to manufacture their drugs in Canada. This is important. That obligation was included in the Government's proposal of June 27th. Actually, if a multinational failed to manufacture its drugs within the 2 years following the previous Minister's legislation of last June, and I repeat: if a multinational failed to manufacture its drugs within 2 years, it would have lost the privileges associated with the patent. That provision has been taken out of new legislation. It would really have encouraged the development of a manufacturing sector in the drug industry.

Turning to the Patented Medicine Prices Review Board, its authority is limited as far as collecting data on prices and research and development activities are concerned, because a major part of those activities are carried out abroad and all the multinationals have their headquarters in countries outside Canada. Since we have no jurisdiction whatsoever on countries such as France, Switzerland and the United States, the board will be limited in the information it can collect.

Mr. Speaker, the criteria for monitoring and determining whether a drug price increase is excessive open the door to abuse and to the setting up of higher prices. One criteria in particular comes to mind: the selling price of drugs outside Canada. We all know that Canada has the lowest prices in the industrial world. Another criteria is the patentee's selling price over the five years before the ruling. We know that the prices of drugs have increased approximately from 3 to 43 per cent since the Eastman Report was published. We also know that before 1985, the introductory price of drugs varied from \$70 to \$100. But this year we have seen some drugs introduced on the market at prices between \$100 and \$150. As you can see, those criteria will have to be very closely monitored. Contrary to what the Minister claims, they show that an increase in the prices of drugs is to be expected.

The powers of the Patented Medicine Prices Review Board to correct the abuses of guilty companies are weaker than they were in the Bill introduced last June. Indeed, the original proposal was that the Board would be authorized to lower the price not only of the medicine involved, but of all medicines produced by the company.

In the present Bill, only the price of the medicine involved and that of one other medicine are subject to reprisals by the Board. I ask the Hon. Members to note this point because it is important.

The Minister claims that the penalty is proportionate to the crime and that the previous proposal was excessive. We have to recognize that the Conservative Government is consistent. Indeed, our competition legislation, while better than it used to be, is certainly one the weakest pieces of legislation on economic competition in the world.

The penalties provided by our competition legislation are not very severe. Therefore, if the Government wanted to bring our pharmaceutical patent legislation up to world standards, it should have done the same for our competition legislation.

Mr. Speaker, it is important to note that this bill is retroactive to June 27, 1986. This is totally unacceptable. Canadians are entitled to benefit from the amendments of 1969 until Bill C-22 is passed by this House. This provision of the Bill is rather fishy. The Government is going to grant ten years of exclusivity to the multinationals, and these same multinationals cannot wait for the bill to be passed? What does that mean? It is completely and totally unacceptable. There is no reason for such a provision.

The Minister tells us that the multinationals will invest \$1.4 billion into research and development and that this should create 3,000 jobs. Regretfully, this is not spelled out in the Bill. All I know is that the multinationals have announced some of their investments, and not all of them, but only after they were forced to do so. This happened both times legislation to amend the Patent Act was introduced. Last June 27, the multinationals announced some investments, and last November 7, they again announced some investments. Moreover, when the Liberal Party held public hearings last September 23, they once again announced investments.

Do we have to scare them every time we want them to do their share? The Bill includes no written guarantee and no investment schedules. The ordinary consumer always has a guarantee when he buys something. Why, then, would the Canadian people buy such an industrial policy without any guarantee? The Minister of Consumer and Corporate Affairs (Mr. Andre) could provide such a guarantee for Canadians who are already paying high prices and who could find themselves paying even more.

In addition, this Bill does not define research and development. Does this mean fundamental research, research applied to manufacturing processes or chemical research? If the Government really has a research and development policy, it should be able to tell us exactly what it wants. When you do not know where you are going, you can end up just about anywhere. Since the decision is delivered to Cabinet, the definition of research and development will be subjected to risky decisions by ministers experiencing pressures of all kinds. It is a serious shortcoming, a broad gap and clear proof that the Tory Government does not know where it is going or what it is doing.

The amounts allotted to the provinces seem to me to be totally inadequate in the long and in the short term and it is once again an admission that drug prices will surely go up. If not, why provide those funds to the provinces?

The policy will be reviewed by Cabinet after a four-year period and by Parliament after ten years. This would seem to be acceptable except that if the Members of this House want to be realistic, they will appreciate that in those ten years many things may happen, many excuses may be voiced to justify unachieved investments: a depression, a crisis in the industry concerned, retaliatory measures from other countries and so on.