

Patent Act

none of those recommendations was accepted by the Cabinet. We did not bring in legislation like this Government did. In fact, the matter was re-examined by the Department of Consumer and Corporate Affairs and the end result was that the then Minister, Mrs. Erola, provided for the inquiry under Dr. Eastman. He came forward with his modified version of the compulsory licencing. That was the step the Liberal Government took at that time. In 1983 we rejected full square anything that had the type of demonic and destructive impact of this legislation.

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I want to congratulate the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) for saying those were . . .

● (1440)

[*English*]

—the finer moments in Government. Without due recourse, I hope that he has enjoyed his finer moments, because I would suggest that they are coming to an end.

As a new Member of Parliament and working as a Canadian, the thing that amazes me about the new pharmaceutical Bill is why the Liberal Party would be against the advancement of new jobs, new technology, and keeping our technology here in Canada. Can you refute that?

Mr. Axworthy: Mr. Speaker, I thought that I did. But I am glad to have the opportunity to repeat my argument, because obviously repetition would be of some assistance to the Member.

First, there is no evidence whatsoever that there will be increased investment as a result of this legislation. When there was full patent protection, the investment of multinational drug companies was no better and no higher than it was when we had compulsory licencing. There was full protection at that time. That was at a time when there was lots of money, lots of opportunity, lots of freedom, and they did not do it. They were investing in R and D somewhere else.

Second, at the present time under compulsory licencing the pharmaceutical industry in Canada has one of the highest rates of return of any industry in Canada. It is not a matter of it being short of cash that is preventing it from doing it. They have all the cash in the world. In *The Globe and Mail* a few days ago it was stated that the Merrick Company had profits of \$300 million. If they wanted to do it, they could be doing it right now. They are playing a game of industrial blackmail upon this country. They want to maintain control and monopoly.

I would also point out to the Hon. Member, and he should take this under advisement, that what was beginning to emerge under the compulsory licencing regime was the development of a Canadian-based drug industry, based upon the generic drug manufacturers. After a period of years they were reaching a point of development where they were beginning to establish

their own operations on chemical ingredients. There was an IRAP grant given last year to initiate that. The end result of this legislation will be to wipe out those generic drug manufacturers. We are saying that once again we are prepared to let all the drug manufacturing, and the decisions be made in the boardrooms of foreign owned companies, rather than encouraging and giving incentive to Canadian-based and owned industries.

I suggest to the Hon. Member that what he will probably find in the course of time is that the consequence of his supporting this bad piece of legislation will be working to the detriment of the development of an effective Canadian drug industry.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, just a short supplementary on the question of pharmaceuticals.

Whereas the Liberal Party in the past was not willing to take a positive position on pharmaceuticals with the Patent Act, and in view of the fact that we will have an increase of 3,000 jobs—unfortunately the Opposition does not want to recognize that there will be in excess of 3,000 jobs created in our country—why should they go against us with their official Liberal policy, working against us to the detriment of Canada? At some point in time they should take a firm stand, and be proud of what we are doing for Canada.

Mr. Axworthy: Mr. Speaker, the answer to that question is simple. We are protesting the fact that this legislation will substantially increase the cost of prescription drugs for hundreds of thousands of Canadians who cannot afford it. That is the reason we feel this legislation is so bad. The Government is not defending the interest of Canadians. What it is doing is simply submitting, on its knees, to a lobbyist pressure of a major industrial group, without any consideration whatsoever to the basic interest of Canadians who need to have proper prescription drugs. That is what the legislation is all about. All this talk of new jobs and R and D is simply peripheral to that central, fundamental fact.

In the last 20 minutes I have challenged the Government to prove where the jobs will come from. I challenge the Government to show that it will gain more jobs than the jobs it will lose by wiping out the Canadian drug industry. I challenge the Government to show how it can assure the guarantee of manufacturing when between the legislation in June and October this Government took off whatever safeguards were there. It made the legislation even worse than it was in June by eliminating the type of guarantee and safeguards that should have been there to require those foreign multinationals to at least put some investment into this country and make sure the manufacturing is here. We will end up with decisions being made in Switzerland, New York, and everywhere else but a place called Canada. When the battle has been won, we will see how quickly those promises are forgotten.