

Government Orders

Certainly there is going to be some cost. I do not think anybody denies that. This \$15 million being spent at UBC does not take into account all the other hundreds of millions of dollars that are going to be spent, the jobs that are going to be provided or the research that will stay at home. If this research is not going to be done in Canada, it is still has to be done somewhere. My feeling is that we should do it in Canada rather than in the United States or elsewhere.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I appreciate the opportunity to comment. I disagree with what the hon. member for Delta is saying. I remember when drug prices were reasonable and accessible to individuals. I do not know whether the member still practises or not, but if he goes to a drug store now and compares the prices with what they were just after we passed the last bill on pharmaceuticals in 1987, he will see that it allowed prices to skyrocket.

This bill is going to cost Canadian taxpayers maybe \$400 million or \$800 million. Perhaps if that money went into research and development in Canada we could accept that. But it will not stay here. It will go to international drug companies. It will not stay in Canada. We might get 5 per cent of it. His university in British Columbia might get a little bit of money but millions and millions of dollars will go to international drug companies in Switzerland, France, Britain and all over the world. That money is not going to stay here.

I ask him as a physician, did he notice that since we passed the last pharmaceutical act in 1987 that prices have increased tremendously? I wonder if he agrees with me on that?

Mr. Wilbee: Mr. Speaker, this is again a very critical thing. My hon. colleague will recognize that the increase in the cost of the medication which he buys across the counter, cold remedies or antihistamines or antacids or anything like that has gone up far more in that period than the cost of prescription drugs. He will also find that the cost of drugs which were on the market in 1987 have not gone up more than 2.6 per cent a year. It is the new medications coming on to the market where there is a large increase.

As I mentioned earlier, there are a lot of causes. The drug approval system takes a lot longer and is a lot tighter. It requires far more studies than in the past and a lot of duplication. We could do a lot in this area to assist in reducing the cost of pharmaceuticals to the

companies. I think statistics will show that the cost of patent medications have not increased as much as other medications available on the market.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to wade into this debate on this very important legislation. It is important because at this time in Canadian history we may be giving up the one single intellectual property mechanism that makes sense. We do it one way in Canada, the world does it another way. They have demanded that we give it up and this government has said yes, we will.

Today this country is in a recession that is bleeding us with unemployment, bleeding us with bankruptcies, bleeding up with red ink, shrinkage, no growth. I find it strange that at this particular point in this year the government has chosen this time to push, even using time allocation in this House, this legislation that gives increased patent protection to those who have already got it. We are not talking here about little guys; we are talking about international drug companies. I find the timing is curious. It is unfortunate.

This bill proposes that Canada give up its system of what is called compulsory licensing. That system provides patent protection for the inventor of a drug for a period of seven to ten years, depending on how you measure the start date, when the drug is first marketed in Canada.

The rest of the law on intellectual property and patents in Canada, outside of the pharmaceutical area, runs on a 17-year rule, 17 years of protection.

We found reason in this country 25 years ago to depart from that intellectual property regime. We found a good socially beneficial reason to depart from 17 years of protection, and that reason involved the public interest and the need of individual Canadians to access pharmaceuticals at reasonable prices within a reasonable period. We found that generic drug manufacturers which were able to take compulsory licences were able to produce drugs at lower prices. I could say much lower; it will vary from drug to drug. In any event, we took that step and now this government is proposing that we walk away from it.

That compulsory licensing regime gave those pharmaceutical companies, the inventors, seven years of exclusivity and seven years without competition, seven years of monopoly, seven years of setting the price for their drug at whatever they wanted to set it at.