

Let me begin my comments this afternoon by congratulating all of the members of this committee for the thoughtful work you have done on this Bill. You have heard from a great number of witnesses, many of them passionate on one side or the other of the issue; you have worked long hours, and have taken the time to explore in great depth the substantive issues relating to this important legislation.

Your task has not been easy. Much misinformation and conflicting arguments have been presented. What I would like to do today is to go back to basics. Let's look at the fundamental logic behind this legislation and the reasons why it is good public policy for Canada.

The fundamental purpose of Bill C-91 is to restore the incentive for innovation that is provided in all developed nations through intellectual property protection. However, this cannot and is not being done at the expense of consumers.

My colleague, Pierre Vincent, has already described the provisions of Bill C-91 which ensure that prices of patented medicines will remain reasonable for all Canadians.

Since 1987, when Bill C-22 was passed, the international community has moved significantly in the direction of stronger patent protection. Canada, the only developed nation with compulsory licensing of medicines, was becoming more and more isolated on this issue. We were rapidly becoming less attractive for investment in pharmaceuticals than our major trading partners.

In December of 1991, this growing global consensus was reflected in the intellectual property provisions of the draft text that everyone hoped would resolve the deadlock in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). It provided for a regime for intellectual property protection which made compulsory licensing for pharmaceuticals unacceptable. Following on the GATT, the North American Free Trade Agreement (NAFTA), signed by Canada, the U.S. and Mexico on December 17, 1992, contains the same provisions.

Meeting international trade obligations is one important reason for moving forward with this legislation, but there are others. We are doing this at this time because it is in our own best interests -- it is good for Canada and it is good for Canadians.

The pharmaceutical industry is in the process of restructuring globally. It is reorienting its operations to serve global markets more efficiently, and it selects the most competitive business environment it can find for investment in new facilities. The degree of patent protection provided for