

Patent Act—Trade Marks Act

I know that traditions in this country and in the United States are not quite parallel with respect to the important questions of public ownership and public regulation and deciding which of these can more expeditiously serve the public interest.

In Canada in the past, although perhaps not frequently enough, we have not hesitated to resort to public ownership in the form of crown corporations. I need not take the time of the house to cite examples, but it seems logical to me that serious thought should be given to the establishment of a crown corporation in the drug industry.

As my colleague took pains to point out, we in this party do not have a gigantic crown corporation in mind, one that would serve as a monopoly or an oligopoly, but one that would undertake a significant percentage of the industry's production, say 10 per cent, 15 per cent or something like that. It would serve as a useful yardstick by which to compare the rest of the industry.

Experience in the post-war period has shown that we make a mistake when we put too much reliance and confidence in public regulation of private industry as a means of protecting the public interest. Just a few days ago I had the privilege of having dinner and a long conversation with a man who was a chief economist with the Federal Communications Commission in the United States, a man intimately connected with the function of public regulation of privately owned corporations, in this case communications carriers. After years of work and responsibility his experience was that it is a very costly, painful, bureaucratic, red tape ridden and largely ineffective system, and that often, one could make a very logical and ideologically unbiased argument for public ownership, not public ownership in the sense of monopolizing an entire industry but in the sense of having a corporate presence under public ownership large enough that it could compare favourably in size with those under private ownership.

When one looks at the experience that the public has had in the past decade in Canada and the United States with the large corporate giants in the field of drug manufacturing, one cannot help but conclude that these are indeed corporate monsters.

Several months ago some state and local governments filed suit in the United States against five American drug manufacturing corporations charging that they had overcharged their customers, in this case state

[Mr. Schreyer.]

and local government purchasers, to the extent of \$120 million over a period of a few years. This does not take into account the many billions of dollars spent by individuals for drugs, so that one has only a small inkling of the order of magnitude of the problem. The firms prosecuted were Charles Pfizer and Company, American Cyanamid Company, Bristol-Myers Company, Olin Mathieson Chemical Corporation, and the Upjohn Company. The case was heard before the New York district court of appeal and a decision was rendered sustaining the plaintiff, the state of New York. The drug companies were found guilty and restitution was ordered by the court.

• (3:00 p.m.)

It seems to me when we face a problem of this magnitude we should be prepared to give serious consideration to any logical method of attack on the problem. I am not saying the introduction of regulations, the introduction of compulsory licensing, or the changing of the Patent Act, the Trade Marks Act or the Food and Drugs Act are not helpful. However, one can sum up what the minister is hoping to accomplish by this bill. The hope is that by opening up the door a little and allowing the winds of international competition to blow into the industry there will be beneficial effects. I certainly hope so. But, in itself, that is not enough. I suggest that rather than holding committee hearings to decide whether this bill is of any value, we should be holding studies and investigations into the advisability of establishing a publicly owned drug manufacturing corporation with a view to providing competition and a yardstick by which to measure other firms engaged in this industry. I think this is a very sensible suggestion.

It would not surprise me if someone were to say that I am making this proposal simply because of my ideological bias as a social democrat. I suggest that failure to give this proposal serious consideration would indicate a doctrinaire attitude or ideological bias on the part of those on the other side even more pronounced than that on this side.

[Translation]

Mr. René Matte (Champlain): Mr. Speaker, six members of our party at least had yesterday the opportunity to stress the points that seemed to be the most vulnerable in that bill and I will not dwell on them any longer. The minister said a while ago that he had thoroughly considered those amendments and that