

*Patent Act*

corporation and every single department. What is more, we are discovering that certain countries like Ireland and Puerto Rico give enormous tax-free benefits and front-loaded incentive grants for R and D. Will we find ourselves having to compete with those countries to get the R and D? The big guys will come along and say: "They have taken off the patent legislation but now we have received an interesting offer from the Irish to set up R and D facilities there". How are we going to match those grants? Will we find ourselves once again playing this game of industrial blackmail?

All of this massive support the Minister says will be pouring into Canada will be subject to some very interesting new conditions. Once again there will be a different kind of competition for investment than there had been before. Not only are we providing a major deterrent to the development of Canadian-based industries, we will find ourselves without any particular advantage in the competition for large multinationals. Therefore, the expectation of new jobs and investment will have to be seriously questioned and challenged.

Ultimately, we have to return to the evidence that is before us. If this evidence were to be presented in a courtroom, one would say that by far the circumstances weigh against the arguments made by the Minister of Consumer and Corporate Affairs. What the Minister has forgotten is the basic fact that from 1969 on drug prices in Canada were the lowest of any other country in the industrialized world. That is a fact, and that meant that for people who were subject to illnesses and increasing costs of medical care Canada was taking the lead in one clear area. In fact, our system was being studied for implementation by many other countries.

The cost estimates of this are anywhere from Eastman's figure of \$200 million to the figures provided yesterday by the generic drug manufacturers of close to over \$600 million. In very simple terms, that translates to the kind of correspondence I have received from my constituents. For example, I heard from an older woman who pays \$40 or \$50 per month for prescriptions. That cost could potentially be \$60 or \$70 per month. When one relies upon a fixed pension plan for one's sole source of income, an extra \$10 or \$20 per month makes a very big difference in the lifestyle one can afford and creates a much higher level of anxiety.

The most desperate form of sophistry I have heard from the Minister of Consumer and Corporate Affairs is his statement that somehow, by voicing the concerns of Canadians in the House of Commons, we are causing fear among Canadians. It is not our legislation. We did not bring this Bill into the House. If there is any cause for fear and anxiety among the hundreds of thousands of Canadians who know what their medical bills and prescription costs will be, the responsibility for it rests squarely upon a Government that made a decision that had nothing to do with the question of health and medical care and everything to do with its benighted quest for the great blueprint of a free trade deal with the United States.

Everything is put at the altar of a quick fix and a deal before the end of 1987. Everything else has been washed out by the

Prime Minister's quixotic quest to fulfil his historic mandate. The people who will pay the price for that are the people who will have to buy prescription drugs, and those are the people least able to bear that burden. That is the real reason for debating this Bill and the reason the Government brought it in.

The Government was under the most exorbitant and incredible pressure from the Reagan administration and major multinational drug lobbies exercising a combination of economic and political power to change the law, and it caved in. It gave up. This comes as no surprise because the record of the Government since 1984 has been one of caving in and giving up. Surely on an issue that goes so much to the heart of the well-being and quality of life of so many Canadians, the Government might have been able to say no and to stand up to that kind of pressure in this one instance, but it did not. As a result, the vast Government majority will attempt to steamroll in this legislation. The end result will be questionable jobs, virtually no research and development and a much higher level of pain and suffering for ordinary Canadians.

**Mr. Manly:** Mr. Speaker, I am very pleased to see that the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is on side in this issue and is fighting against these changes to the Patent Act. However, I would like to ask him where the Liberal Party was in 1983 when the Hon. Member for Papineau (Mr. Ouellet), who was at that time the Minister of Consumer and Corporate Affairs, appointed Martin O'Connell, a former cabinet Minister and former consultant to a multinational drug company, to head up a study on this issue. Mr. O'Connell brought in a report recommending legislation substantially similar to that which the Conservative Government brought in today. Why was the Liberal Government following the same track back in 1983?

**Mr. Axworthy:** Mr. Speaker, I would be more than pleased—

**Mr. Benjamin:** Try to get out of that one.

**Mr. Axworthy:** I will. First I will remind the Hon. Member of the real history behind this matter. Back in 1969 I had the privilege of being an executive assistant to the then Minister of Consumer and Corporate Affairs, the man who is now the Leader of the Official Opposition (Mr. Turner). It was that Minister with whom I worked who initiated the development of the compulsory licensing legislation for Canada. It was the present Leader of the Official Opposition who authored and initiated that legislation, and I consider that to be one of the finer moments I have enjoyed in public life.

In 1983, the then Minister of Consumer and Corporate Affairs said that we wanted to examine the application of the compulsory licensing system, and I think that was legitimate since it had been in operation for over 15 years. The report that was prepared on the matter outlined three options. It recommended legislation, some revisions to the compulsory licensing provisions or a change in the royalty system. What was also clear to me as a member of the Government was that