

Government Orders

Rather than asking the question in a critical way, what he should be saying as I referred to in my speech is that this bill improves and strengthens the prices review board in a way that meets the concerns he has just expressed.

Mr. Sergio Marchi (York West): Mr. Speaker, Bill C-91 is a very dangerous piece of legislation with respect to Canada's health care system.

The basic premise for the last 20 minutes or so from the minister of trade and industry and the former Minister of Finance was basically that this is a good policy for Canada: "Trust us, Canadians. This is good". This is the same minister who said that the FTA was good for Canada, that NAFTA was good for Canada, that the GST is good for Canada, that the 33 new taxes since 1984 are good for Canada and Canadians and that this eight-year record of this trickle-down economic theory which has placed literally millions of Canadians in the unemployment lines was also good.

Quite frankly Canadians did not believe him then and they will not believe him now that this piece of legislation by any stretch of the imagination is going to be good for Canadians or for Canada.

Let us put this bill into some historical context. Compulsory licensing was born in this country in the late sixties when the then Minister of Consumer and Corporate Affairs, the right hon. member for Vancouver Quadra, introduced compulsory licensing for two reasons. The first was to diversify the industry, competition, something that I thought was part of the Conservative credo: diversification, competition in the marketplace. The second reason was to try to moderate and lower the price of prescription drugs, so it allowed the generic firms to replicate the brand name drugs in return for royalties paid to the brand name companies.

In 1987, along comes this government and through Bill C-22, and it basically eliminates the royalties and replaces them with seven-year effective protection for brand name companies. That means that the generics would not be able to duplicate those drugs until that seven-year period ended.

The government comes along in 1992 and through Bill C-91, rather than seven years, effectively adds another three years. When the process by which a company must obtain the permission of the government to introduce that drug in the marketplace is added there is a 20-year patent protection for brand name drugs.

That 20-year protection will kill the generic companies and it is also retroactive to last December. Can we imagine the gall of these government members opposite, not just having introduced and passed legislation but saying that it takes effect last December? This will kill that generic industry because after a 20-year monopoly the duplication of drugs will always be surpassed by new technologies and new drugs to administer to Canadians' needs.

That must be put into perspective. I am going to present four reasons why this bill must be stopped. The first one is that we cannot afford increased health care costs through increased prescription drug prices for Canadians in this day and age. Overwhelmingly, Canadians want accessible and affordable health care.

The elimination of compulsory drug licensing means increased prices for prescription drugs. They will be higher, and in fact they will be unchecked. As the hon. member from Kingston mentioned a few minutes ago, since Bill C-22 we have seen the increases in those costs. In my province of Ontario there has been a 13.2 per cent increase in the drug plan. In Manitoba the increase has been 12.2 per cent and for the Green Shield health insurance company the increase has been 11.4 per cent.

This is a recipe for increased prices. The Green Shield health insurance company, a large third party health insurer, had this to say in its report:

The average cost of a prescription claim has risen at a rate in excess of 11 per cent compounded annually, for the period of 1987 through 1991—

It goes on to say that:

—it will result in continued high levels of increases in drug costs, bearing in mind the high costs being experienced with new drugs as they are introduced to the marketplace.

Then there is the regulatory board that was set up after Bill C-22 to monitor and control the price of drugs. It has proved to be completely ineffective. In fact brand name companies are ignoring the guidelines of the Patented Medicine Prices Review Board. There is a 30 to 40 per cent non-compliance rate.

The chairman of that board, Dr. Eastman, said in his report: