

Adjournment Debate

One of the key recommendations of the special envoys was the need for the United States to establish a five-year, \$5 billion control technology commercial demonstration program. This recommendation was designed to expand the menu of control options and make it easier to formulate a U.S. acid rain control plan. It was also designed to provide some near-term relief from acid rain.

From the Canadian perspective, two of the special envoys' criteria are of particular importance. It is primarily against these that Canada will judge existing and new initiatives in the United States. These criteria are, and I quote from the envoys' report: "More consideration should be given to projects that demonstrate retrofit technologies applicable to the largest number of existing sources that, because of their size and location, contribute to transboundary air pollution"; and, "It should also result in some near-term reductions in U.S. air emissions that affect Canadian ecosystems".

We have established clear objectives on the acid rain issue. Acid deposition must be reduced to less than 20 kilograms per hectare per year. To do this, sulphur dioxide emissions in eastern Canada must be reduced by 50 per cent and the transboundary flow of pollution from the United States into Canada must be reduced by 50 per cent, from four million tonnes down to two million tonnes.

Canada assesses any U.S. clean coal technology demonstration initiative primarily by the extent to which the technologies can be applied to the principal sources of emissions affecting Canada and by the extent to which the demonstration projects provide immediate relief in the transboundary pollution flows. It is these criteria we are using to assess the nine projects under the U.S. Department of Energy's clean coal technology program.

● (1810)

PATENT ACT—EFFECT OF AMENDMENTS ON DRUG PRICES

Mr. Neil Young (Beaches): Mr. Speaker, I have asked the Minister of Consumer and Corporate Affairs (Mr. Andre) about the anticipated increase in drug costs to Canadians because of the changes he has introduced to the Patent Act with respect to pharmaceutical drugs. The Minister has responded that prices for drugs already on the market will not go up and that one has to make assumptions about drugs not yet on the market. The drugs we are talking about are, of course, those drugs which will come on to the market under the new arrangement if the Bill is indeed passed.

The Minister tried to dismiss the question by underlining the difficulty of predicting future price increases. In fact, the Government knows that drug prices for Canadians will indeed go up and has done cost studies to predict the results of its new legislation. The Minister is afraid to make those studies public because they will show how adversely Canadians will be affected.

During the summer I made a request for those cost impact studies through an application under the Access to Information Act. I was denied access to those cost impact studies as it was alleged that those pertinent documents are Cabinet confidences and, therefore, shielded from public view. All along the Government has wanted to handle this Bill as quietly as possible. It meant to introduce the legislation on the last day the House sat in June in order to lessen the public attention that would be paid to the Bill. The Government knows that, according to a Gallup poll released in September, 57 per cent of Canadians are opposed to those proposed changes.

Due to changes in the Patent Act in 1969, Canada went from having drug prices that were among the highest in the world to having drug prices which are now among the lowest in the world. By allowing increased competition among drug manufacturers, Canadians have benefited from lower drug prices compared to other countries. This legislation will change that situation by gravely increasing the length of time that the multinationals have exclusive rights to manufactured drugs.

Due to pressure from the multinational drug companies, and now the American Government, this Government has introduced this legislation which is certain to increase the cost of prescription drugs to all Canadians. The multinational drug companies feel the situation in Canada must be changed, not only because of the higher profits they see possible in Canada but because Canada sets an example these large companies do not want to have followed elsewhere in the world.

Neither the Government nor the Pharmaceutical Manufacturers Association of Canada, which is the group representing the large multinationals, have come forward with any estimates of how the proposal will affect drug prices. However, according to the Canadian Drug Manufacturers Association, which is the body which represents the generic manufacturers in Canada, the additional cost to Canadians in 1995 will be \$650 million, and \$745 million in 1996.

The cumulative cost is far higher than the increase in investment promised by the multinational manufacturers. These multinational companies have promised some \$1.4 billion in investment over the next 10 years. Although the Government will not say it, these companies would only offer this additional investment if they could be assured of additional revenues which will come from higher prices. The multinationals have offered this publicly but the Bill the Government has introduced requires no guarantees about investment, research and development or job creation.

While the Minister argues that we cannot know the effect of price increases on new drugs, the Bill includes provisions to pay the provinces \$25 million a year for four years to compensate them for a short-term impact on provincial pharmacare plans and give them additional security against any adjustments which have to be made. The Minister knows that by giving the large multinational drug companies this kind of freedom from competition in the market-place, the prices of drugs can only go up. The provinces, which through their pharmacare programs pay a large bill for prescription drugs,