

Government Orders

while the generic industry employs 2,600 people. What is significant is that in the five years since 1987 when Bill C-22 was introduced, the patented medicine industry has grown by 2,400 jobs or as much as the total generic industry as it exists today.

Study after study has come to the same conclusion: Our economic future depends on innovation and the encouragement of innovation. As the steering group on prosperity says: "We need to invent our future". To do that we have to think long term. We have to put in place the foundations for sustained growth and prosperity.

A debate about patented drugs today really is about the economy. Bill C-91 is a positive and powerful thrust pointing toward economic growth and it is one that we should all be supporting. This legislation will help us to build a strong, new sector of innovation into the Canadian economy. It will contribute to our competitiveness, it will contribute to jobs, to opportunity and to the improvement of our standards of living.

• (1600)

Throughout the world, pharmaceutical companies are investing huge amounts in research and development. In today's global market that money can go anywhere. By making the climate friendlier to innovation, we can ensure that much of it comes right here to Canada.

We need to move forward decisively on the economy and we need to move forward decisively on Bill C-91. For those reasons and for its great contribution to our medical research and our scientific knowledge, I urge the early passage of this bill with the support of all members of this House.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a pleasure for me to participate in this debate today. However, it is not pleasing to look at Bill C-91, combined with Bill C-22, which is leading us down the path of higher drug prices. It is very unfortunate for the Canadian consumer and the Canadian senior citizen on a fixed income is going to lose more dollars out of their pockets.

The issue of patent protection for prescription drugs is quite old, dating back to the 1960s. In 1967 the member for Vancouver Quadra, then the Liberal minister of consumer affairs, brought in a system of compulsory licensing to protect the Canadian consumer. That system remained in effect for 20 years. During that period people like senior citizens benefited from the develop-

ment of the generic drug industry that lowered the cost of many medications.

The system was fair. It helped consumers through lower prices, it allowed generic manufacturers to grow and employ over 2,500 Canadians and it still allowed the multinational drug companies to thrive in terms of market share and profitability.

Like the old saying goes, all good things come to an end. The balance system ended in 1987 when the Conservatives forced through Bill C-22. Do not worry, the government said, it will not hurt a bit; we will create lots of new research and development jobs for our young Canadian scientists. Sadly, this is just another Tory promise to be broken.

Let us look at the cost of prescription drugs. The Conservatives promised that the price increases for drugs would not exceed the rate of inflation. The government set up the Patented Medicine Prices Review Board to review and enforce the regulations and price increases. However, the government's performance in this area was very poor.

The review board is just a toothless tiger, unable to force the multinationals to follow the rules. In its fourth report to Parliament the chairman of the review board said, and I quote: "The high number of prices out of compliance (that is breaking the rules) suggests either that some patentees follow a strategy of setting high introductory drug prices so as to benefit from the temporary gain, or that they resist the board's guidelines".

The government's hand-picked chairman is admitting that the major drug companies are either deliberately gouging Canadian consumers or they are deliberately ignoring the rules completely.

In August of this year the NDP government of Bob Rae made drastic cuts to the Ontario Drug Benefit Plan. The cost of running the program had increased an average of 18 per cent over the last 10 years, so the NDP dropped the knife. I wonder if Bob Rae has figured out how a senior scraping by on a fixed income is going to come up with the extra dollars to pay for drugs that are not covered by the drug plan.

They could buy extended health insurance to cover the cost of prescription drugs. Green Shield, one of the largest operators of drug plans, prepared a report for its clients explaining why its premiums have been increasing so much. In its report Green Shield said: "The average cost of a prescription claim has risen at a rate in excess of