

*Patent Act*

The question of drug prices has been pretty hotly debated in the House over the last weeks. It is being considered very actively by the Canadian public. We have had extremely outlandish statements by the Government that this new legislation will not result in an increase in drug prices.

The generic competition stimulated by the 1969 amendment has saved Canadian consumers hundreds of millions of dollars. This has been calculated at \$211 million for 1983 alone. Of course, when added up over the years, it is into the billions of dollars that Canadians have been spared by having generic drug competition.

We have a Minister who claims that the new policy will not cause drug prices to rise, indeed that the new policy will not cause an increase of even one cent in drug prices. On the other hand, when you get down to the fine print, the Government has to admit such things as, and I quote, that it "may, however, result in a delay of the price reductions associated with the introduction of new generic drugs".

This is a pretty roundabout way of admitting that when a new drug comes on to the market there is the four-year period of protection. After that the prices go down. So you must look at the costs at least over a 10-year period. If you look at a 10-year period, you will see that prices are indeed considerably lower under the condition of generic drug competition than with the monopoly situation that the Government wishes to reintroduce.

Canadian consumers can expect substantially higher drug costs during the 10-year delay in the introduction of new generic drugs. I note that the federal Government's published cost estimates for the new policy stop at 1990. This is a convenient place to stop, because the Government does not want to admit that the prices are then going to go up. Reductions that would otherwise have happened because of generic competition simply will not happen. That drug competition which the 1969 policy brought in will have ended.

Despite its claims about drug prices, the federal Government has nevertheless promised to pay the provincial Governments \$100 million in transitional payments by 1991. I think that this rather embarrassingly belies the argument that there will not be any increases. Why is the federal Government handing over \$100 million if there will not be any increases? Any person with common sense will certainly be asking that.

It will be very scant consolation to Canadian taxpayers to know that they will be subsidized through federal taxes instead of provincial taxes. The money will go to provincial Governments so that they can pay the multinational corporations for these increased prices. The point is that increased prices will hurt. If it means that provincial Governments have to pay more for their particular medicare costs, then the federal Government will have to pay more. Even if it is not the individual consumer, we know that these costs have to be borne.

• (1640)

We expect the Government will then say that the cost of drugs has risen and that medicare is costing too much money. In that event, it will be required to cut back somewhere else in the medicare system. It will have to cut other services to make up for the increased costs of drugs.

Of course we do not want to see that happening. We do not want to see medicare hurt. We do not want to see other services being cut back as a result of increased prices in pharmaceutical products.

In winding up my remarks, let me point out that the proposal of the Government for a regulatory board to look at drug prices is not a satisfactory option. It is not clear how much authority the board will have. The Bill provides for provincial and federal health Ministers to intervene in hearings. However, there is no provision for consumers or other public interest groups. It is a very unsatisfactory business altogether. We will have another bureaucracy to carry out a policy which is not as good as the present one.

I urge Hon. Members to look at the past progress with generic drug competition and the enormous savings for Canadians as a result of the policy. I ask them to reject this extremely misguided approach which puts the welfare of American multinational pharmaceutical companies ahead of the needs of Canadians for decent drug prices and adequate competition in the pharmaceutical industry to ensure that prices remain at a reasonable level.

**Ms. Copps:** Mr. Speaker, I have a question for the Hon. Member for Broadview—Greenwood (Ms. McDonald). We heard the Minister say that he would bring information to us in committee but that he would not bring us specific documents relating to the costs or an analysis of the costs which will be faced by consumers. Would the Hon. Member speculate on why the Government does not want to release those documents?

**Ms. McDonald:** Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) raises an extremely important question. She will know that her colleagues and members of my Party have raised with the Government in Question Period the need to have the documents tabled so that Canadians and consumer and advocacy groups can look at the cost estimates.

She will also know that the Government indicated that it would not cost a cent more but that it would not provide the information which gives specific estimates as to the costs in particular years. This must be a fraudulent claim, if the documentation is not to be put before Members of the House and the Canadian public.

A Government which really had hard information showing that prices would not rise would be delighted to document it and to hand over its study results. We have to be entirely suspicious of a Government which uses taxpayers' money to collect information and then denies Members of the House and the Canadian public access to the information on which they