

documents would tell Canadians that there will be very sharp increases in the cost of prescription drugs after the Bill is passed.

We could not obtain those figures. However, other people have looked into the matter. The Canadian Drug Manufacturers Association, an association of generic companies, commissioned a study. It was not done by some fly-by-night group, by some wild-eyed radical or by some know-nothing. The Minister tried to indicate that all the people opposing the Bill do not know what they are talking about.

Mr. Riis: Who did the study?

Mr. Orlikow: The study was conducted by one of the largest, most respected firms of chartered accountants in Canada, Currie, Coopers and Lybrand.

Mr. Riis: Very reputable.

Mr. Orlikow: Of course they are. That firm has done work for the federal Government and for many provincial Governments.

In the study it was found that without generic competition as a restraining factor on the desire of multinational drug companies to maximize their profits, prices would increase quickly for new drugs. It was estimated that by 1995 Canadians would be paying \$650 million more than they are now paying. The total would be \$4.73 billion over a 10-year period. Let us compare that cost with the claim—and I emphasize the word “claim”—by the Minister and the Government that multinational drug companies would invest \$1.4 billion in that period of time if the Bill were passed. For every dollar multinational drug companies might invest, Canadians will pay \$4.

I think we have every right to question the claim that the companies will invest that amount of money. Until 1969 companies had patent protection. They had all the patent protection they wanted, all the patent protection they needed. If it is the patent protection they will get under the Bill which will induce them to do research in Canada, why did they not do research in Canada when they had prior patent protection?

The facts are very simple. Multinational drug companies, like other multinational companies in virtually every area of industry, have a very simple policy. They prefer and almost always conduct their research at head office, not in one of their subsidiary companies. We have no right to believe that they will invest the amount of money and produce the kinds of job which the industry and the Government accept without question.

We realize that the study conducted by Currie, Coopers and Lybrand was as a result of an organization being hired to do the study by one of the interested parties which would be very seriously and adversely affected if and when the Bill was passed. We tried to be as certain as we could that the position we were taking was the correct one. Therefore, we took the Currie, Coopers and Lybrand study, which indicated that by

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1995 Canadians would be paying an extra \$650 million per year for prescription drugs, to a leading economist in the drug policy field. We cannot give his name because he works for the federal Government. The economist told us that the assumptions and estimates made by Currie, Coopers and Lybrand were conservative on the whole.

Let me return to the fact that we know what will happen because we know what occurred regularly in pre-1969 years. In those years companies were able to set prices at whatever they thought the market would bear. They knew then and they know now that if the Bill passes there will be no competition from generic companies for at least 10 years. There will be no need for them to reduce prices. As I have already indicated, the prices they charge are at least twice and often more than what the generic companies charge. We know that prices will accelerate immediately. In fact it is already happening for new drugs.

Let me look at two new drugs which were introduced in the last six months, Tegison and Carderone. They were introduced at wholesale prices of \$150 per hundred for Carderone and \$77 for 36 tablets of Tegison. We can compare those prices with the previous wholesale introduction prices of new drugs of between \$50 to \$70 per hundred tablets.

Drug companies now know they will get away with price increases, since last June is the retroactive date when the Bill will come into effect. It only stands to reason that drug companies will set the highest price possible since the drug will be under price controls thereafter?

Therefore I move, seconded by the Hon. Member for Kamloops-Shuswap (Mr. Riis):

That the amendment be amended by deleting all the words after the word “they” and by substituting therefor “12 months hence”.

Mr. Deputy Speaker: I will take the amendment moved by the Hon. Member for Winnipeg North (Mr. Orlikow) and seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis) under reservation and make a ruling at a later time.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[English]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

Ms. Lynn McDonald (Broadview—Greenwood) moved that Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, be read the second time and referred to a legislative committee.