

Government Orders

That is why I agree with Bill C-91 before the House today. I disagree with the Liberal member who just said that generic drugs were cheaper because even at the time we saw that prices of all pharmaceutical products increased at about the same rate.

As for manufacturing inside or outside the country, I would like to see the medical drugs that are specific to our needs manufactured inside Canada.

From these comments it should be clear that I will vote in favour of the bill. I disagree with the Liberal member who just spoke because the legislation his party adopted at the time scared off investors in the pharmaceutical industry and as a result, our university-trained researchers and experts had to go and do their research in the United States or elsewhere. We spend a lot of money training our young people to do research, but we do not give them a chance to do research in this country.

Mr. Speaker, these are all reasons why I intend to vote in favour of Bill C-91.

[English]

Mr. Lee: Mr. Speaker, I accept the suggestion that if more money is ploughed into the pharmaceutical industry, the pharmaceutical industry will use a portion of that money for research. No one would question that, but there is a ton of more money going into the industry and not every dollar of it is being used for research.

I said in my remarks that generic drugs were cheaper. I stand by that. I have also cited the statistic that under the Canadian system the prices of drugs are 32 per cent cheaper in Canada than in the United States. I did not say that drug prices did not increase. Of course prices will increase from time to time, whether it is a generic drug or a drug manufactured by a multinational or a PMAC company.

I do not think the hon. member has caught the drift of my remarks. I accept that there will be more research, but at what cost? How much more research are we going to get and at what cost? Is he suggesting that all of the additional half billion dollars that is to be spent by Canadian consumers as a direct result of this bill will go back into research? I do not think he is saying that.

I am pleased to see more research. I want to do whatever I can, as I am sure all Canadians do, to encourage increased research in Canada at all levels, not just with regard to pharmaceuticals. The real issue is at what cost and so far there is no tag, no string, nothing put on the additional money Canadian consumers will pay as a result of this patent bill.

• (1220)

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I want to comment on some of the points made by my hon. friend across the way.

First I will correct what he quoted me as saying. Yesterday I said that the first year the price increases would be zero and would gradually increase to less than 2 per cent by the year 2000.

Let me remind my hon. friend what was actually said in the report he was quoting from the newspaper with regard to the price differential between U.S. and Canadian drugs. It says:

The major source of U.S.-Canadian differences in drug prices is not variations in manufacturers' cost. This holds true regardless of whether cost differences relate to research and development, marketing, production or distribution.

Instead, government regulations and reimbursement practices contribute to lower average drug prices in Canada. In setting prices, manufacturers of patented drugs must conform to Canadian federal regulations that review prices for newly released drugs and restrain price increases from existing drugs.

Furthermore, drug benefit plans run by provincial governments act to constrain manufacturers' discretion in price setting. Through the plans' reimbursement and their enrollees' drug purchases, the provinces exercise concentrated buying power to obtain low prices.

In addition, provincial officials can remove drugs from their list of reimbursable drugs if the manufacturers' proposed price increases are considered to be too high.

When my hon. friend talks about price increases, he clearly overlooks the fact that we have the prices review board in place. We have had it in place since 1987, and it continues to be in place with the enactment of Bill C-91.

Its powers will be enhanced under this legislation. It will have the same authority as would a court. It can roll back prices. It can impose fines. It can even send people to jail if they price the drugs higher than the agreed upon system that will regulate those prices.