

Patent Act

dealing behind closed doors had predictable results. The multinational corporations got what they wanted.

● (1640)

In the original Bill, which was to be introduced before the summer recess by the former Minister of Consumer and Corporate Affairs, multinational corporations would have had the exclusive right to produce and sell drugs they had developed for eight years to 10 years, an increase over the four years to six years provided by the present law.

Under the present Minister of Consumer and Corporate Affairs the penalty clause has been softened to make losing exclusivity on one drug and one other from one drug and all others. The import restrictions have been lifted on the import of active independents rather than the manufacture of them in Canada. The cost provisions to be reported to the Prices Review Board were changed and the process made easier.

We know what will happen when this Bill is passed because we know what occurred previous to 1969 when we passed the legislation under which the manufacture and sale of prescription drugs has since operated. The companies will set the prices by what the market will bear. There will be no competition for at least 10 years. We know from experience that the people of Canada will suffer tremendously.

In the proposed Bill there are no cost estimates beyond the Minister's statement that there would be not one cent more in additional prices. The only person who believes that is the Minister himself. Yesterday and today the Minister charged that quotations which the CBC program *The Journal* put in the mouth of Dr. Eastman were taken out of context and that Dr. Eastman had agreed with him that there would be no extra cost. Today, an article in the *Toronto Star* quotes Dr. Eastman as saying that the price level of new drugs would be higher under the Bill than if there were no legislation.

I called Dr. Eastman last night and asked him if in fact he had been misquoted or misrepresented on the CBC program. I asked him if he believed that prices would not be higher after this Bill had passed. Dr. Eastman pointed out a very obvious fact. Under the present system a company which develops a drug has at least four years, and according to the Minister this works out to an average of 10 and a half years, in which it has the exclusive right to sell the prescription drug. After this Bill is passed the four years provided by the present system will grow to 10 years. The multinational corporations which develop the new drugs will have an extra six years to sell the drugs, and in this time generic companies will not be able to get licences to produce the drugs and will not be able to bring down prices as they have up until now.

Let me give Hon. Members and the Minister some examples of how the system works right now. I will deal with two or three prescription drugs which are used very frequently. Valium is probably the most widely used prescription drug in Canada and virtually every other country. In Winnipeg the retail price for 100 tablets of the brand-name prescription drug

is \$15.10. For the generic equivalent, the retail price is \$5.64. Let us deal with the drug Tagamet which is now very widely used by people who suffer from ulcers. One hundred tablets of brand-name Tagamet costs \$39.38 in Winnipeg. For the generic equivalent, the cost is \$15.34.

For one of the newest antibiotics, Amoxicillin, the brand-name drug costs \$18.25 while the generic equivalent costs \$9.25.

Under the present system, because of the wide use of generic equivalents for the most prescribed drugs, consumers pay half or less than half the cost of the brand-name drug for prescriptions. That is the system which the Minister is proposing to virtually destroy.

The Minister has said that not only will the cost of present-day drugs not rise, but the cost of drugs manufactured in the future will not rise. He is certainly alone in that view. Clayton Yeutter, the chief trade negotiator for the United States, said in an interview by the CBC after he made a speech in Chicago on September 30 the following:

It may raise prices at the retail level of some of these products. If you're going to have low retail prices based on piracy that is not a sound way to run a country.

I would like to hear the Minister tell senior citizens and young families with children who get sick and need prescription drugs whether he agrees with Mr. Yeutter, that the system we have had which has saved them money is based on piracy and we must get rid of it. Even the former Minister of Consumer and Corporate Affairs knew better and was more forthright than this Minister. He said—

Mr. McDermid: One man's opinion.

Mr. Orlikow: The Hon. Member says that that is one man's opinion.

Mr. Riis: The Minister's.

Mr. Orlikow: It was the then Minister's opinion. On June 27, 1986, he said that it was their estimate that the total cost to provincial treasuries resulting from the delay in the introduction of generic drugs would not exceed \$100 million by 1990. If there is to be no increase in costs, why did the former Minister agree, as has the present Minister, that he would pay the provinces this \$100 million. It is obviously because they know that there will be increased costs.

My colleague, the Hon. Member for Beaches (Mr. Young), and other Hon. Members have called on the Government, the Minister of Consumer and Corporate Affairs and the Minister of National Health and Welfare (Mr. Epp) to make public the studies they have in their possession, studies which tell the real story about what the increased costs will be.

● (1650)

I would ask the Minister to tell Hon. Members and Canadians why the Government has refused to make those documents and studies public. We have every right to assume that the reason they will not make those documents public is that the