

Government Orders

amendment by a legislative committee, and of Motions Nos. 1 and 2.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, it is a privilege to rise and speak against this bill.

I think it is important to reiterate what this bill is all about. It is not about extending patent protection for pharmaceutical drugs. It is about completely eliminating, for the entire 20-year patent period, the right of any generic manufacturer to produce a drug that is under patent and to compete with that drug on the open marketplace.

Not only are we completely eliminating a process of licensing generic drugs in the patent period and providing cheaper drugs for Canadians, but we are making it retroactive. This means that somebody, who a year ago had the right to produce a drug, will be told that that right was cancelled a year ago once this bill passes.

What is the impact going to be? The impact for Canadians is going to be higher drug costs. Right now, generic drugs being produced while the original is still under patent cost 53 per cent of the cost of the patent drug. That is a saving of 47 per cent for Canadian consumers.

Who benefits from this? The patent drug companies benefit from this. I will give just one example. The changes brought on with this legislation to one drug company will mean \$1.3 billion. That is just from making this provision retroactive and preventing competition with one of their drugs in the marketplace.

One would think from what we have been hearing from the representatives of the drug manufacturers that generics were undermining the market and threatening to destroy the whole industry. Nothing could be further from the truth. Generic drugs account for only 8 per cent of the market leaving fully 92 per cent of the market to the patent drug manufacturers who claim they need the protection and the extended rights that this legislation provides. Not only that, but this patent drug industry is the most profitable industry in the Canadian economy and in the American economy.

I think we have to ask who pays for these great gains. As I said, there are billions of dollars of revenue to be gained by the drug companies. Seniors will pay. Taxpayers will pay through medicare. Anybody who is too poor to have a drug plan or works for a company that does not have drug plan will pay. That usually means lower-paid

workers in our society. Every single taxpayer across this country will pay for the extra revenue and the extra profits to be generated for the drug companies that already represent the most profitable business in North America.

Insurance plans will pay. Many of us have plans that cover the cost of our drugs but those do not come without a cost either. Ultimately it is the medicare system that will pay.

We have growing concerns about the cost of our medicare system and anything that adds to that burden undermines continuing a universal accessible health care system for Canadians.

Four hundred million dollars a year is being saved by seniors, the poor, insurance companies, taxpayers and middle class taxpayers because we have generic drugs in this country.

We have heard fear-mongering that new drugs to serve the health needs of Canadians to cut our health care costs will not be produced if we do not pass this bill. What utter nonsense. Canada accounts for 2 per cent of the global patented drug market. Do not tell me that companies are not going to continue to produce drugs for the 98 per cent of the market.

An hon. member: Right on.

Mrs. Catterall: Although we consume and account for only 2 per cent of revenues, only 1 per cent of the research money is being spent in Canada. This is from the industry that five years ago said: "Give us extended patent protection and we will spend more money on research in Canada".

Only 1 per cent of the new drugs developed are developed in Canada although we are 2 per cent of the market. Far fewer drug company profits go into research in Canada than in the United States and other countries around the world. We are getting half of our share of research. This is from an industry that five years ago said: "Give us more of a free rein in the marketplace, remove our competition and we will do more in the way of research."

What we have in Canada is branch plant drug companies. We do not have basic research. We do not have the kind of foundation that this country wants to see in this industry that is the most profitable in our economy and it does not deserve the kind of protection that this Conservative government is now proposing to offer.