

Government Orders

an important feature of its medical system which has been a model for many health policy experts seeking to contain soaring costs in the United States.

It also says the shorter period of patent protection has helped keep prices of drugs 32 per cent lower in Canada on average than in the United States.

We are talking about the same companies, the same manufacturers subject to the generic indigenous industry in Canada and yet our drug prices are 32 per cent lower. How did that ever happen? It was not the good will of the drug manufacturers that made that happen, it was the compulsory licensing system.

An hon. member: It was not because of the Tories either.

Mr. Lee: Let us take a look at the U.S. experience in this recession in drug prices. Our pharmaceutical price monitoring board attempts to monitor prices in drugs. Look at the U.S. experience in this previous year of recession. You would think that drug prices would be moderated, that all prices would be moderated. That did not happen, even in the United States.

Drug prices in the United States at the retail and the wholesale levels rose at double the rate of inflation in both cases: in the retail side, in the 12 months ending October, a 6.3 per cent increase in retail drug prices in the U.S. compared with a 3.2 per cent increase in the Consumer Price Index. That is a doubling.

In the wholesale area they went up 5.4 per cent compared with 1.7 per cent in the general producer price index. There is something happening out there that the consumer does not have any control over because if the recession did not keep the price down then the marketplace sure as heck did not and the consumer is helpless in the face of that kind of increase. That was in a year of recession.

What happens when we have a good year, when there is a monopoly, when there is no restriction on the price of the drug, either the old drug that is still patented or the new drug that enters the market?

Away from price competition there are still several other areas I wanted to mention. One of them, pharmaceuticals, as I have already said, is an integral part of the medical system in Canada. This bill fails to recognize that. A compulsory licensing system in Canada has permitted a generic indigenous Canadian pharmaceuti-

cal industry to develop and begin to prosper. This bill does not recognize that.

Currently in Canada there is no control over entry level drug pricing. This bill does not recognize that. I have already mentioned the retroactivity in this bill going back to the Dunkel agreement of December 20, 1991. That is unacceptable.

I want to wrap up by saying that the drug manufacturing companies are not evil villains. They produce a product that is integral to our health care system. We can do with drugs today what in some cases used to take two or three days in a hospital and that saves us a lot of money. There is a big future for the world, for the evolution of the human species, all involved in this pharmaceutical area. We have to treat the players in the industry with respect and they have to treat the consumers with respect and I think they have to hold out some mechanism for us to monitor those prices.

In Scarborough there are large generic manufacturers, large international drug companies. All of them are ready to go with more investment. If this bill passes some of them say they are ready to invest, but the money that will be used for that reinvestment will come out of the price increases that Canadians will be allowing if this bill goes through.

At this point I have to stay opposed to this bill.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, in 1987 I took part in the debate on Bill C-22. Back then, of course, I agreed with the government. I was on the government side at the time, and we realized that the policy of the Liberals—the Liberal member made a reference just now—had been more or less to deregulate drug patents by granting them only seven years of protection. We found that in the Montreal area, for instance, tens of thousands of jobs in medical research had been lost. Whole buildings had become vacant in the western part of Montreal. It was clear that the Liberals' policy was entirely unacceptable.

As far as medical research is concerned, we in the north need special vaccines and drugs, and we need people who can do the research we need to deal with health problems that are specific to the north. For investment in research to be worth while, companies must have enough time to make good on their investment.