

*Government Orders*

I recall the very strong tactics used by the drug companies at that time, the whole pharmaceutical movement, bribery tactics that continue to be used. They promised there would be extensive research and development based in Canada which would create many more jobs. They refused to advise that the monopoly would definitely restrict generic drugs from competing, which was what they wanted. They used certain kinds of blackmail tactics.

The blackmail tactic, I must say, was very evident in the committee hearings. I recall viewing the proceeding on TV when the B.C. minister of health was a witness. Soon after there was what seemed to me to be a threat that companies might not locate in B.C. if this kind of opposition continued.

Bill C-22 meant that the drug companies were given patent protection for 10 years. Under Bill C-91 this will be extended to 20 years. There is no question this in effect means the end of the generic drug industry for Canada.

In 1986 the Tory government tried to reassure people that things would be okay. It had set up this nice Patented Medicine Prices Review Board to monitor the prices. Price increases were to be kept at the cost of living, below inflation rates. Some 3,000 research jobs in pharmaceuticals were promised to us.

Despite these promises and the bribery we know that drug prices jumped immediately. In fact they were made retroactive before the bill was in place. They were eventually increased by 11.4 per cent, far beyond the rate of inflation at the time, and prices of new drugs have doubled.

The review board in effect had no power and the promised 300 new jobs resulted in about 700 jobs being lost in the manufacturing industry. There was no talk about this.

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I go back in history because it is very important for viewers, for Canadian consumers, to realize we are not talking about something that might happen in the future. We have proof and evidence that there has been a deliberate monopoly and undermining of the whole medicare system in Canada.

However, Bill C-91 makes the situation far worse. It ends compulsory licensing for drugs completely in Canada. It prevents the generic drug manufacturing industry—it will be surprising if it is even in existence—for 20 years from using any of the drugs after patents expire. It is a complete giveaway of intellectual properties under the NAFTA. I will go back to that in a few minutes. In effect this is government capitulation to the drug companies and beyond the drug companies to the U.S. government which has been behind it all along.

There will be no real development of a Canadian research industry. We know that. The centre of the industry is in the host countries which in this case is the United States. We have no major research centre created in Canada as was projected.

Prices of drugs, as I have said, are now 12 per cent higher in Canada than in the United States where they are exorbitant. To avoid limits suggested by the review board, the companies are just going ahead and overpricing new drugs. Consumers are also being affected even though in some provinces their drugs are covered by medicare plans. Many drug plans are now having to de-list certain expensive drugs. We see user fees and so on coming in.

Provincial governments, with I believe the exception of Quebec, oppose Bill C-91. The provincial minister from B.C. said that pharmacare prices in B.C. were increasing at the rate of 15 per cent per year. This was over the last four or five years. At the same time grants from the federal government have been frozen. She is faced with actually taking dollars from the needed therapies to pay for drug costs. This will get worse.

Section 1709 of the NAFTA prohibits compulsory licensing. I have a document entitled "Pharmaceutical drug patent protection demanded under NAFTA" which shows that drug concessions have been tied to the trade deal. This is very serious. My colleague from Esquimalt—Juan de Fuca dealt with this very eloquently this morning.

It locks us into the NAFTA and takes away Canada's ability to control its own destiny. It means that since it is entrenched no succeeding government can change it. When NAFTA is implemented, as it will be if the Conservatives and the Liberals have their way, this will be something that cannot be changed.