

Government Orders

These new powers will enable the board to influence more effectively the entry level pricing of new patented drugs. They will allow the board to order lower prices or to impose fines to compensate for previous prices deemed too high, thus deterring companies from abusive pricing. Finally, these new powers will give the orders issued by the board the same authority that a Federal Court order has. It must be said that since it was created, the board has been successful in keeping increases in the prices of patented drugs below the increases in the Consumer Price Index.

In proposing these amendments to the Patent Act, the Government of Canada is making its legislation match that of the other countries, which is a good thing. It promotes investments in our country and encourages companies to increase their R & D activities. It also creates new jobs for scientists and technicians, while ensuring that all Canadians can obtain at reasonable prices the patented drugs they need.

[English]

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, this is outrageous legislation for two reasons. First, it furthers the attack, which was mentioned earlier, coming from a neo-conservative ideology on the Canadian structure of social support and social justice at the behest of foreign, alien standards for community economic and social conduct. This is the response to the free trade agreement and NAFTA. Second, it is an attack on democracy.

I expected to be able to speak for 20 minutes, but I cannot because this government once more has abused democracy.

This is contentious legislation. We are going to hear statistics bandied about in these chambers that are in complete contradiction of one another. For no other reason than that, this government should not have imposed limits on this debate.

We also know that this government is not only going to limit debate in this Chamber, it is going to make sure that nobody will have an adequate chance to know what it is doing and therefore will not have an adequate chance to have their voices heard.

This is about the abandonment of compulsory licensing. Very briefly we ought to say what that is all about. Compulsory licensing was introduced in 1969 at a time when Canadian drug prices were the highest in the

world. It was said that patented drugs must be licensed for manufacture by generic companies, but not for nothing.

This government would have you believe that the generic companies were stealing the drugs, but in fact, just as a singer or a musician or a composer is paid royalties on their intellectual property, so are the patented drug manufacturers paid a royalty on those drugs. They profited by virtue of the existence of generics to a significant degree, just as Canadians profited by having an arrangement that ensured that our health care in this country would be affordable.

That is one thing the Americans do not have and it is one thing the Americans do not want us to have. The next step will not be another Bill C-22 or Bill C-91, it will be to eliminate any provisions that would limit the price of drugs. Perhaps when they have us hooked to another free trade deal, we will ban medicare altogether.

When Bill C-22 was introduced in 1987 we were told that there would be vast increases in research investment; that there would be vast increases in the number of jobs and that drug prices would not go up.

What happened? We are going to hear the government people saying that the amount of money or the percentage of sales devoted to research and development by members of the PMAC went from about 5 per cent to a little over 9.5 per cent in the interval, between 1987 and now.

Nobody mentions the fact that between 1980 and 1983, the percentage of sales invested in R and D doubled. It doubled without Bill C-22, it also doubled without Bill C-91.

Nobody on that side mentions that after 1985, in preparation for the introduction of Bill C-22, the drug companies managed to diminish the proportion of their sales invested in research to the lowest level in this decade in order to say afterward that they had increased their investments in R and D.

The patent and drug manufacturers do not put as much into research as do the generic manufacturers and 9.7 per cent of sales is a long way from the 16 per cent of sales which is invested in R and D in the United States. The amount that goes into basic research in Canada is still on a percentage basis only half what goes in down in the United States. The R and D that goes on in Canada is in the vast majority still clinical testing.