

Let me simply remind him that in the last full year for which his party had the responsibility of government the rate of inflation had been 5.8 per cent.

Senator Frith: Now we know that they are in trouble. They are still blaming the Grits!

Senator Murray: However, the drug prices, including generic drug prices, went up in that year by 12.8 per cent. It was precisely to avoid this kind of situation—

● (1420)

Senator Frith: What has that got to do with the price of tea in China or the price of drugs in Toronto?

Senator Murray: —that the government moved with Bill C-22 over a year ago to establish the Drug Prices Review Board.

Senator Bonnell: Honourable senators, I am not talking about what happened years ago; I am talking about Bill C-22 and the promises given by the Pharmaceutical Manufacturers Association of Canada. It states in this news release:

In a few cases, drug prices rose by more than 100 per cent, and in one case the increase was 250 per cent, Mr. Archer said. He would not release the name of the drugs in question.

Ontario is attempting to impose a 5 per cent limit . . . The Pharmaceutical Manufacturers Association of Canada, which represents the large multinational drug companies, pledged that drug price increases would not outstrip increases in the CPI when it lobbied successfully last fall for increased patent protection for brand-name drugs.

Let us not throw out these red herrings about what happened years ago under a Liberal administration or some other administration; let us talk about what happened with the CPI, the multinational drug companies and last year's Bill C-22. What is the government going to do about it?

ROLE OF DRUG PRICES REVIEW BOARD—ROLLBACK OF PRICES—GOVERNMENT ACTION

Hon. Sidney L. Buckwold: Honourable senators, I did not think that we would be back on Bill C-22 as quickly as is happening now, but certainly every dire prediction that was made on this side, especially by those of us who sat on Senator Bonnell's committee and those of us who sat on Senator Sinclair's committee, is coming true. We predicted almost exactly what would happen.

Honourable senators, we could see that develop as we travelled across the country. Drug prices were going up very quickly. It was told to me personally by a druggist who knew the scene that the drug companies, knowing that it was most likely they would get their proposed Bill C-22 operational, wanted to set the standard of price as high as possible. That is the first point.

We were aware, as I indicated in a speech I gave in the Senate during the debate on Bill C-22, that the drug companies were gouging the public on the basis of trying to establish

basic prices before the Drug Prices Review Board came into play. I suppose that was good business, but it was not in keeping with the assertion of the minister, who indicated that that would not be the case.

I say to the Leader of the Government that we are just beginning to see what the effect of Bill C-22 is going to be on the Canadian taxpayer and prescription drug users in Canada. We are just seeing the beginning!

There are no miracles. If the drug companies are going to put a billion dollars into research over the next ten years, as they said they would, they are not going to pay for that out of their own pockets. It has been a long time since I have heard of that kind of generosity. Those funds will come from higher drug prices, and those higher drug prices will not only pay for research but will mean enhanced profits for the drug companies.

I am not satisfied that the Drug Prices Review Board, which has been referred to by the Leader of the Government, is going to be the answer. Senator Sinclair may have something to say on this, but we were convinced that under the present legislation, which the minister refused to change, the Drug Prices Review Board did not have enough teeth to control the price of drugs, especially new drugs. We knew that then.

I have a few questions to pose to the leader. First of all, what control does the Drug Prices Review Board have on the price of new drugs being introduced to the market for the first time? Second, in view of the fact that the legislation was passed just last year, will the government immediately roll back the prices to what they should be, in keeping with the pledge that they would not increase more than the increase in the cost of living?

I think that is only fair to those who buy drugs; only fair to the people who listened to the government's absolute assertion that there would be no increase in drug prices. I would like to remind the leader that the Government of Ontario, in its submission to our committee, said that there would be an increase in cost of up to \$1 billion over the next ten years. Let's not forget it. We see the scenario unfolding now.

Could the Leader of the Government in the Senate respond, then, as to whether in fact a serious effort will be made to roll back drug prices immediately, in keeping with the government's promises?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, the Drug Prices Review Board is the response of the government to the kind of problem raised by increases in the price of drugs. We believe that it is a good and constructive response, and we can only regret that honourable senators did not see fit to pass that bill at an earlier date.

As for the—

Some Hon. Senators: Shame!

An Hon. Senator: That's nonsense!

An Hon. Senator: It was up to you to set the time!

Senator Frith: Flimflam!