

Furthermore, all compulsory licences issued since that date clearly contained written notices that the licences will be revoked once the implementing legislation has passed and becomes law.

There can be no real claim of surprise on the part of the generic manufacturers. The generics have known about this since the day the decision was formally announced on January 14, 1992.

As to claims of the unfairness of the retroactive nature of the legislation, that is, revoking all compulsory licences awarded after December 20, 1991, let us put this question into proper context. In 1991, generic firms applied for 57 licences. In 1992, clearly after the policy had been announced that compulsory licensing would be abolished, the generic firms continued to apply for 291 compulsory licences.

An announcement of a policy, such as our announcement of January 14, 1992, must not give the opportunity for any stakeholder to take advantage of the knowledge of the change in policy to advance his or her position relative to others before its implementation.

A common thread in the concerns of a number of people you have heard from this week is the issue of costs. Some charge that Bill C-91 will be the beginning of the end of our medicare system. Some provinces have voiced concern that the Bill will cause huge additional costs to their drug plans. Allegations have been made that the federal government is passing the buck to provinces. There is a concern that the working poor will bear the brunt. I understand these concerns. I understand the rising pressures on the health care system as a whole. Unfortunately, however, there has been a gross misrepresentation of the facts regarding Bill C-91 and drug costs.

From the beginning, the government has acknowledged that this legislation could result in some cost increases. What we must keep in perspective in the present debate is that this legislation affects patented medicines only. And patented medicines account for just 20 per cent of all drugs consumed in Canada and only 3 per cent of total Canadian health care costs overall.

Any cost increases that might occur will be a result of the average three-year delay of the entry of lower-priced generic products onto the market. This cost increase has nothing whatsoever to do with the price of individual patented medicines. These will continue to be under the close control of the Patented Medicines Prices Review Board.