

Government Orders

The calculations for the increase in the cost of drug prices should be made simple and easy by this board, and the cost of any drug should not increase by more than the current rate of inflation. Such increases should only be allowed once a year.

The powers of the Patented Medicines Prices Review Board have to be modified so the board can more effectively control the price of new drugs entering the Canadian market, the increase in the cost of existing drugs in the marketplace and the reconstitution of the drug formulas. A new improved board with powers to control the situation outlined above would be more effective in protecting consumers.

We also believe that these new powers must be clearly outlined in the legislation and not left to future regulations as this Conservative government is proposing. Prior to the 1987 changes to the Patent Act, the brand name pharmaceutical industry made some significant commitments to research and development.

It pledged an eight per cent ratio of R and D expenditures to sales by 1991 and 10 per cent by 1996. However, this time around no commitment has been made whatsoever and there must be a strong commitment from the brand name multinationals to increase R and D in Canada. We hear from them that they will be giving money to R and D but they certainly are not giving all of the money to R and D that the increases will allow.

What the pharmaceutical industry has failed to announce is that it is only investing a small amount of what it projects to amass in windfall profits as a result of the government's decision to give it an additional three years of monopoly protection over products that would have otherwise been subject to strict competition from the generic industry.

• (1130)

The Conservative government could have used this piece of legislation to demonstrate a firm commitment to R and D in Canada. Once again it chose not to, preferring instead to cater to American interests.

This causes me great consternation. I am extremely concerned that the government has bowed to pressure from multinationals and the U.S. government by abandoning its commitment to a vibrant, multifaceted drug

industry in Canada and to a regulatory environment that protects Canadian consumers from higher drug prices and the Canadian health care system from ever increasing drug costs.

Since the introduction of compulsory licensing in Canada a balancing has existed in the Canadian pharmaceutical industry. Canadian consumers have had access to pharmaceuticals and competitive prices because of generic competition, while at the same time both brand name companies and generic companies have made extremely healthy profits. I believe the balance should be maintained.

Another danger is that if this bill is passed prior to signing the GATT and the NAFTA, future governments will never be able to change it. It will be there in perpetuity and that is just dreadful.

We as Liberals support a strong and competitive pharmaceutical industry in Canada both generic and patented. What we do not support, however, are policies which endeavour to increase drug prices for Canadian consumers and put added pressure on our health care system.

The only appropriate way to ensure such a balance is maintained is to increase and change the powers of a Patented Medicine Prices Review Board.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to have an opportunity to participate in debate on the motions before the House with respect to Bill C-91.

Having served on the committee I listened to quite a number of very interesting witnesses on both sides of the issue. I listened even more to an extraordinary amount of time that was in my judgment wasted with filibustering. Time was used up that in fact could have been more beneficially used listening to other witnesses who could have contributed to our understanding of the issues involved.

This is one of those issues—I have noticed a number in my short time here—where the government proposes legislation which government members support and opposition members oppose. One wonders whether the exercise is not sometimes a little mindless on both sides.