

Government Orders

The motion that is before us right now, Motion No. 1 which is in my name, is a very key amendment. It is perhaps the most key amendment we will debate all day today. What the government has done on this particular bill is that it has come in with Bill C-91 and decided to dismantle the system of compulsory licensing that we have had in Canada for a number of years, a system of compulsory licensing of drugs which has served Canadian consumers very well. It has served the health care system extremely well. It has served the provincial pharmacare programs extremely well.

However, this government has made the decision that a few billion dollars here or a few billion dollars there coming from provincial pharmacare programs, from those diminishing health care budgets of our provinces, and coming from consumers' pockets is an okay Christmas gift to give the multinational drug companies.

With Bill C-91, the government has deleted provisions in the old act, old Bill C-22. It has deleted the provisions that provided for compulsory licensing of patent medicines in Canada.

The effect of this amendment is to reintroduce into Bill C-91 those provisions which allowed Canada to have a unique system of regulation when it dealt with prescription drugs.

I want to go back a little bit. In the 1960s there were a whole number of reports dealing with drug prices in Canada. It was clear from the reports governments had done and from an examination of the facts that the people of Canada were paying prices which were far too high for prescription drugs. One of the reasons was that there was no competition. Once an individual or a company obtained a patent on a drug it was treated in the same way as a patent on a hockey helmet, which it is not. There is a vast difference. However, that is how it was treated back then.

The Liberal Party at the time, and the hon. member for Vancouver Quadra who was the minister in the late 1960s, introduced the system of compulsory licensing. This instilled competition in the marketplace. It allowed a generic company to make an application to produce a generic drug. The company would pay a royalty back to the patent holder. There was no need to cry big crocodile tears for the multinationals because they still made money. However, in Canada it allowed a unique system where we had competition.

Now what did that do, one might ask. There are all kinds of studies around about what compulsory licensing has done for Canada. Clearly compulsory licensing has made our system of universal health care an affordable one.

During the 1970s and the early part of the 1980s compulsory licensing literally saved Canadian consumers and the health care system billions of dollars. Those dollars would otherwise have been bled out of the system. They would have been taken from hospital care. They would have been taken from all kinds of services we take for granted in Canada. Those dollars would have been transferred out of the country because higher drug prices to multinational drug companies would have been the order of the day. It worked well.

In 1987 my hon. colleague from Cape Breton—East Richmond fought very hard against the government's first attempt to get rid of compulsory licensing. At that point in time he argued, as I and other members of our caucus will today, to preserve a system. In 1987 when the government first decided to try to change the rules of the game, he argued against changing the system because he knew what it would do to health care in Canada. It would make it less affordable and it would take billions of dollars out of the system.

The effect of this amendment is to put things right again. It would reinstate those clauses which had been deleted by the bill and effectively allow us to have a system where compulsory licensing is back in Canada.

Somebody may ask: "What does compulsory licensing do? If you have a generic competitor out there, does it really drop prices?" While we were having truncated committee hearings we had the minister of health from British Columbia appear. In her brief she says very, very keenly that the province of Ontario alone estimated that generic drugs saved its drug plan \$80 million to \$100 million per year or 15 per cent of the total drug costs of its programs. That is what compulsory licensing does.

In addition to that, we have had expert testimony from a Dr. Schondelmeyer who appeared before the committee. Dr. Schondelmeyer again reinforced it. He made it clear that compulsory licensing in Canada in 1991 alone saved the Canadian health care system in excess of \$450 million. These are not peanuts we are dealing with. That is \$450 million in 1991 alone. In one year the compulsory licensing system saved the health care system that much money.