

Patent Act

I believe that Professor Eastman is recognized by all political parties as an authority on the Canadian pharmaceutical industry. It was he who stated quite categorically that as a result of the 1969 Patent Act Canadians saved millions and millions of dollars. Therefore, the senior citizens in this organization made the case that the profitability of the Canadian pharmaceutical industry is very good indeed. They talked about the impact of compulsory licensing and raised a number of questions about the future cost of drugs.

In addition to talking about the cost of new drugs which will be entering the Canadian market after this legislation is passed they raised the question of what will happen to the drugs which are presently in the system, the generic drugs. Generic companies operating in Canada which are told that the rules of the game have changed, that they will have to wait seven to 10 years before they can reproduce drugs newly manufactured by the multinational corporations, have two options. They cannot reproduce the new drugs coming on to the market and, therefore, can either go under or increase the price of generic drugs on the market today.

If you have discussions with housewives and other individuals who purchase drugs at the drugstore you will learn that that is happening. I do not have the money to conduct a survey to substantiate that that is taking place in every part of the country, but I know that it is taking place in certain parts of the country.

Leslie Batterson, the President of the National Pensioners and Senior Citizens Federation, and the Ottawa representatives, Herbert Hanmer and Ross Chapman, made a very impressive presentation of the reasons they oppose Bill C-22. These are average, ordinary Canadians making submissions to Members of Parliament from all three political parties with regard to an important piece of legislation. I suggest to you again respectfully, Sir, that this is not information manufactured or innovated, if you will, by opposition Members of Parliament.

The Ontario Coalition of Senior Citizens' Organizations made a presentation before the committee. Contained in their presentation is the following:

Proposed changes to the Patent Act contained in Bill C-22 will reduce the availability of low-cost alternative generic drugs and that, without competition, brand-name costs are certain to rise;

Commitments made by multinational firms for investment and job creation in Canada are unenforceable;

Canada will never achieve world class research status in pharmaceuticals without a strong domestic industry, which this Bill prevents; the legislation can't effectively penalize brand name manufacturers who fail to follow pricing guidelines; direct payment costs for drugs will rise; private insurance plans will be forced to increase premiums. provincial taxes will be forced to rise to continue public drug benefit plans; hospital costs will increase with a concurrent effect on provincial medicare premiums; Jobs will be lost through a cut-back in the generic industry and the failure to establish a Canadian fine chemical industry.

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All of these statements made by this worthy organization can and have been sufficiently substantiated that I would concur with them.

Provincial taxes will be forced to rise to continue public drug benefit plans. The Government has, in effect, admitted that. Otherwise, why would it provide \$100 million for the provinces over a four-year period? If it is simply pulling that figure out of the air, then it represents rather sloppy management and forecasting by the Department of Consumer and Corporate Affairs.

It is another organization that has a great deal of concern with regard to the purport of Bill C-22. It illustrates that it is not only members of the opposition Parties who are opposed to this legislation. The Nova Scotia Government Employees Union wrote to us. They wanted to appear before the committee and wanted to travel to Nova Scotia. While the Minister can suggest that we have had ample time for this Bill and so on, the number of people who wanted to make presentations and address this matter is remarkable.

In Nova Scotia the President of the Nova Scotia Government Employees Union said: "If this Bill is allowed to pass as it stands, it will have serious effects on people residing in the Province of Nova Scotia". That explains the situation quite succinctly and appropriately.

Other groups that are opposed to Bill C-22 may share my thoughts with regard to the effects on senior citizens, the elderly, the poor, the sick, and those who do not have any private medicare drug plans. Will the Minister tell the Royal Canadian Legion that its 590,000 members have it all wrong? Is he suggesting that all of us are village idiots and that we do not know what we are talking about when it comes to Bill C-22 and the fact that prices will rise? Will the Minister go to every Legion command in this country and tell our veterans and the associate members that they do not know what they are talking about? The Minister does not have the guts to do that because he knows that the prices for prescription drugs in this country will go up.

The President of the Royal Canadian Legion wrote to the Minister in November, 1986. Let me quote from part of that letter as follows:

We believe the proposed changes will undermine compulsory licensing by granting brand-name companies ten (10) years of patent protection for all new drugs before they can be made available as less expensive generic equivalents.

As this letter clearly suggests, older Canadians are quite concerned. But the Minister says that it is the Opposition's fault because it is trying to cause anguish and fear among Canadians. I do not believe that opposition Members of Parliament will fool the Royal Canadian Legion, particularly its President. The President goes on to say:

Despite statements that the new legislation will not increase the price of existing brand-name drugs by one cent, we expect that within a very few years the Government's present initiatives will end up costing all Canadians more money. The elderly, the sick and the poor are all bound to suffer financially with any change in federal legislation.