

Government Orders

He said: "When they pass Bill C-22, I ask them not to forget that they are hurting not only the sick, the aged, the crippled and the poor, and provincial governments". That is really too bad because the provincial governments asked us to pass this bill as soon as possible. "They are also hurting the agriculture and fisheries industries because of the cost of drugs in chemicals."

Similarly, Liberal Senator Buckwold raised the spectre of fear—which they are doing again today—by claiming that the legislation would hurt Canadians because it would increase the price of drugs. This is what he said.

• (1240)

"In my opinion, if we pass this bill we will be doing a great disservice to the people of Canada. We will be adding to the problem of health costs. We will be denying drugs to people who otherwise would have bought them, and who desperately need them." *Debates of the Senate*, June 23, 1987, at page 1347.

That is what the Liberals had to say. Today, we know they were wrong because the reality is light years away from these gloomy predictions. In fact, between January 1987 and December 1991, prices of patented drugs increased by an average of only 2.9 per cent per year, well below the average inflation rate for the same period. The people who kept raising the spectre of fear for political reasons were wrong, and I named a few just now.

As for the promised investment in R and D, the industry reached its objectives five years before the 1996 deadline. I have a note here which I could give you, Mr. Speaker. They promised to double their ratio of R and D to sales and reach 10 per cent in 1996, in 10 years. Believe it or not, by 1991 those objectives had already been met. Even more important, they showed they were committed to reaching those objectives and they met their commitments. And they did that in five years, instead of ten. We have to trust people a little. As for investment in R and D, the industry met its objectives well in advance.

Bill C-91 also gives new powers to the Patented Medicine Prices Review Board created in 1987. It was said earlier today that prices might go up—the hon. member referred to this—but I think the review board can even put people in jail for excessive pricing, beyond what is normal in a competitive market.

The objective is above all for the review board to ensure that the prices of both new and existing patent drugs are not excessive. I am confident that the review board will be able to do so, thanks to the new powers it has under this bill.

These new powers will also enable the review board to examine initial prices for new patented drugs. This is not just about price increases. I think consumers can also get a new deal when a new product is launched at an excessively high price, even if there are no further increases. That is something the review board must consider very seriously.

The board will also be able to order price reductions or impose fines retroactively and thus discourage the practice of charging excessive prices. As we said earlier, this could even mean a jail sentence. These new powers will give the board's rulings the same clout as a ruling by the Federal Court. As we said earlier, since it was created, the board has ensured that any increase in the price of patented drugs remained below the rate of inflation.

The hon. member said earlier that the reason prices did not go up was the recession. Of course, somebody always takes the credit for good news, while bad news is always the government's fault. In this case, inflation was down, no thanks to the board. It is too bad he forgot to mention that the board probably did something right. I agree that in the past we have had boards that were supposed to look after the consumer and were not always a success. In fact they were often a disaster, and I had to deal with a number of these boards, especially here in Ottawa. However, when the results are good, I think the board deserves some credit, although my Liberal colleague on the other side preferred to think it was due to the recession.

In its fourth report, the Patented Medicine Prices Review Board said that the ratio of R and D to sales by patent-holding companies since 1991 has been around 9.7 per cent. Last year, these companies spent \$376.4 million on R&D, an increase of 23 per cent over 1990.

I must admit that we notice these increases in my riding. I must say how proud I was again this morning. Knowing that we would be discussing this bill, as I drove along the highway in Laval, I saw something big being built and when I saw the name I was very glad because once again the drug company Bio-Mega has decided to expand and invest in Laval. It is putting up a big building. It is not Esso, I must admit, but Bio-Mega, which makes