

*Patent Act*

that if the royalty fund had been fully mature in 1983, about \$6 million would have been available for distribution for new research and development projects. That \$6 million is only one-fifth of the total increase in costs. It is an insignificant portion of the \$1.4 billion increase in research and development that could result from Bill C-22.

● (1540)

The Senate proposal focuses almost entirely on drug costs. While this is very important and is recognized in the original Bill C-22 by the extension of consumer protection, there was no consideration by the Senate committee of the impact of new medicines on reducing hospital costs. I mentioned this earlier and referred specifically to Tagamet and its \$130-million-per-year savings in now unnecessary stomach surgery.

The 1985 report of the Eastman Commission stated that the royalty proposal would have cost over \$30 million in 1983 alone. Those costs would have been borne directly by consumers and provinces. This is clear evidence that the Senate proposal is not cost-free as some people would have us believe. To summarize that, in fact, for every \$1 generated by the Senate's royalty fund, consumers would be paying an extra \$6.20. That increased cost to consumers would amount to over \$1 billion in the next 10 years.

In conclusion, I would like to say that I am very disappointed that the Senate, after such a considerable delay that threatens the viability of already-announced investment plans, continues to take a position on Bill C-22 which gives such little regard to the facts. As you know, Mr. Speaker, there has been substantial discussion of the cost estimates of Bill C-22 among the many interested parties. The Canadian Drug Manufacturers' Association and members of the Opposition in the House of Commons have quoted exaggerated estimates which have little basis in reality.

Indeed, officials of the Department of Consumer and Corporate Affairs have estimated the savings due to continued limited compulsory licensing would have been about \$166 million in 1983 if Bill C-22 had been in effect since 1969. This estimate uses the same criteria as that used by Dr. Eastman in his report. However, the drug prices review board would have added between \$60 million and \$200 million in additional savings to the savings from modified compulsory licensing. There will therefore be a net saving to consumers by monitoring the prices of all prescription drugs.

The Government has taken great care to design a pharmaceutical policy that will result in the maximum benefit for Canada and for Canadians. I am very confident that Bill C-22 as it was passed by this House on May 6 incorporates every element needed for this to happen.

**Mr. Orlikow:** Mr. Speaker, I would like to ask the Hon. Member several questions. First, why does he take the advice of the multinational drug companies as to what will happen instead of listening to organizations representing a majority of Manitobans? These organizations have indicated very clearly

their opposition to this Bill. I refer him to the positions taken by the Manitoba Organization of Seniors, the Manitoba Federation of Labour, the Manitoba section of the Consumers' Association of Canada, and an organization with which he should have very close contact, Keystone Agriculture, an organization which represents all the farm commodity groups in Manitoba. Keystone Agriculture has expressed its opposition to this Bill as well.

Six provinces have now joined that opposition. All of those provinces have pharmacare programs under which the provinces pay all or a substantial part of the prescription-drug costs of their residents. All of them have made it very clear that they have looked at the figures and done their estimates and that the cost to their programs will be increased very substantially.

Second, does the Hon. Member not realize that the drug prices review board will have very little power to do anything about prices since the vast majority of prescription drugs will be produced in the countries in which they are researched including the United States, Switzerland and Great Britain? Does he not realize that the transfer prices they charge their Canadian subsidiaries have no relationship at all to the real cost of the drug? They can charge anything they want to their Canadian subsidiaries which will be packaging the drugs and the drug prices review board will not be able to have any say about that at all. It will have no way of determining whether or not the real price is being charged to the Canadian manufacturers.

**Mr. White:** Mr. Speaker, the Hon. Member asked two questions and I would like to deal with them in that order. First, he mentioned the many groups in Manitoba that opposed the Bill. I think I could safely say that groups like Keystone Agricultural Producers and the Manitoba seniors are using the same figures that are being used by the NDP and its Leader, figures that have no basis in fact. In committee, we asked them—

**Mr. Orlikow:** They must be pretty stupid, eh?

**Mr. White:** I sat here quietly while you asked your question. I would appreciate the same respect. I asked the Hon. Member in committee for some proof of where these figures came from, and found that they had no basis in fact. They were pulled out of the air. It cannot be proven where they come from.

Some of these groups back in Manitoba quite rightly were concerned because of some of these figures. However, that is why my contention all along has been that these groups have been exploited by the Opposition. That is political opportunism in its worst possible sense. Opposition Members have been preying on the fears of these poor people.

In his speech on Friday, the Minister mentioned several of the groups and experts who feel that Bill C-22 will be beneficial to consumers and to the health care of Canadians. He mentioned the Medical Association, the Canadian Chamber of Commerce, the Science Council of Canada, Dr. Michel