

[English]

## QUESTION PERIOD

### HEALTH AND WELFARE

#### DRUG PRICES IN CANADA—GOVERNMENT POSITION

**Hon. Royce Frith (Leader of the Opposition):** Honourable senators, my question is for the Leader of the Government in the Senate. When the Senate was asked to pass Bill C-91, the pharmaceutical bill, we were told by the supporters of the legislation that the drug prices review board had done a wonderful job of holding drug prices in check.

Today in the *Globe and Mail* there is an article about a study commissioned by the same board that shows the exact opposite. The study examined the 177 top selling drugs in Canada and compared Canadian prices with prices in seven other western industrialized countries. The result is that when compared with France, 81 per cent of the drugs were priced higher in Canada; Italy, 69 per cent were higher; Sweden, 69 per cent were higher; Switzerland, 58 per cent. All of them were higher in Canada. When compared with Britain, 74 per cent were higher in Canada; in the United States, 38 per cent, and in Germany it was even.

The study found that 105 of those 177 drugs were priced above the median price of those other seven nations, and this was with respect to prices before Bill C-91 had had a chance to kick in.

When the government agreed to force Bill C-91 through Parliament at the request, it seemed to us, of the multinational drug manufacturers, did it know that the prices of drugs in Canada were already much higher than in other western industrialized countries?

**Hon. Lowell Murray (Leader of the Government):** Honourable senators, I have not seen the article, nor have I seen the study, but I will be glad to ask my colleague the Minister of National Health and Welfare, to whom the Patented Medicine Prices Review Board reports, to provide me with a comment that I can pass on to honourable senators.

**Senator Frith:** The question was whether the government knew. The answer is either no, the government did not know, or yes, the government did know that the price of drugs in Canada was already much higher than in other western industrialized countries.

Quite apart from the article I referred to, when the government was asking Parliament to pass Bill C-91, did they know that the price of drugs in Canada was already much higher than in any other western industrialized country except Germany and the United States?

**Senator Murray:** It is by no means clear that the assertion of the honourable senator is correct, nor that that is a proper conclusion to draw from the study, nor that the study is valid. I do not know. I have not seen the study, as I have told my honourable friend. I will undertake to ask for a comment from the Minister of National Health and Welfare, to whom that agency now reports. Quite recently, I have seen some comments emanating from the United States about comparative drug prices there and here. Indeed, a Democratic senator from Arkansas, Senator David H. Pryor, who is quoted as advocating that that country put into place a process and commission such as we have in Canada —

**Senator Frith:** And compulsory licensing. I will come to that.

**Senator Murray:** He is suggesting a commission such as we have here.

In answer to the objection that price controls were incompatible with innovation, one of the spokesmen points out:

Though Canada began controlling price increases in 1987, drug R&D there has risen from less than 5% of sales to more than 10% on average.

To come to the matter of prices, there is a little box in this article which appeared in *Business Week* on March 8, 1993, which lists five well-known drugs, the price in the United States and the price for the same drug in Canada.

In respect of those drugs, for Amoxil, which is an antibiotic, the price is 5 per cent lower in Canada than in the United States; for Lanoxin, a drug used to treat heart failure, it is 16 per cent lower in Canada than in the United States; for Zantac, an ulcer drug, it is 30 per cent lower in Canada than in the United States; for Premarin, a hormone drug, it is 162 per cent lower in Canada than in the United States; and for Xanax, an anxiety drug, it is 183 per cent lower in Canada than in the United States.

Various studies on this subject will produce different conclusions, depending upon the criteria, methodology and the drugs studied.

To come back to my first answer, I will obtain a comment on the study to which the Leader of the Opposition refers, and bring it in over the name of the Minister of National Health and Welfare.

**Senator Frith:** Honourable senators, if anyone wades through *Hansard* and then wades through the answer that the Government Leader has given, I hope they will remember what the question was. It was whether or not the government knew that the price of drugs in Canada was already much higher than in other western industrialized countries when it asked for the passage of Bill C-91. I hope the Leader of the Government will ask his colleague about that.