normal response of a company if it is working in a competitive environment, a favourable environment for its investments in research and development, that it will continue to invest. But if, like the Liberal Party policies of the past, things are required which say that you must do this or you must do that, then the people who are investing the money will say that well, if we are going to be forced to do this this year, what are they going to force us to do next year and what are they going to force us to do the year after?

If we had taken that step we would have been sending out negative messages and we would not have generated the $500 million of investment opportunities. We would have not generated the high paying jobs and the good research and development in the companies as well as in the universities and the hospitals across Canada.

Finally, my hon. friend compares the 2.9 per cent with some of these other figures from the Ontario government's green plan and others. As my hon. colleague, who is very familiar with this business because of his professional background, says, these are apples and oranges. That is absolutely right. Because the 2.9 per cent measures the increase in the cost of the patented medicines that are brought on to the market. What these other measurements refer to are other things, including the amount of usage of drugs. The types of drugs that people are using today are different from what they were in 1987 or 1989. You cannot compare the 2.9 per cent with these other figures. That has been made abundantly clear by people who have reviewed both the conclusions.

Mr. Jim Karpoff (Surrey North): I must say that the minister talks about how marvellously the government understands the current economic situation in this world. That is why in eight years it has taken this country almost to the point of bankruptcy and the most difficult economic situation we have ever faced.

I want to ask the minister three basic questions. First, the government keeps denying that this is part of the free trade agreement, and yet when it passed Bill C-21, William Merkin, who was the deputy chief trade negotiator for the United States, made it very clear—

The Acting Speaker (Mr. DeBlois): Time is running out and I ask the hon. member to ask one question, please.

Mr. Karpoff: I will ask him one question. I will get a chance to ask him many more. The government's own prices review board said that 40 per cent of all new drugs coming on the market were above its own guidelines. British Columbia made a study which showed in detail that existing drugs rose 6.4 per cent between 1988 and 1991, not the 3.2 per cent that he talks about, and that the average ingredient cost in pharmacare went up 133 per cent. The cost of actual dispensing went down 47 per cent. The actual moneys going to the pharmaceutical companies went up 133 per cent during that period of time.

• (1600)

How can the minister keep saying this when the government's own prices review board says it could not even control the costs of new drugs coming on and it has been documented that existing drugs went up much faster than he is claiming and that details show a 133 per cent increase?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will not rise to the bait in the preamble of my friend's question. We will have another opportunity to debate that.

Let me just respond specifically to the point he has made on initial pricing. Yes, my hon. friend is correct. The PMPRB did point out that the initial prices were initially offside. That was because when the initial price in Canada was compared with the international bench-marks we did not know what that international bench-mark was until some time past the establishment of the initial price. However, once the companies found out what that bench-mark was, they did reduce their prices to bring them into line with the existing international bench-mark that they had to meet.

What Bill C-91 does do in strengthening the role of the prices review board is it provides for a roll back to the initial date of the initial price or the introduction on the market so that there cannot be the windfall profits my hon. friend has referred to.