April. Farmers involved in this production receive an income during what is normally a slack farm revenue season.

It is worth noting that this industry was developed by a Canadian company, a company which has been highly praised by the Minister of Consumer and Corporate Affairs (Mr. Basford) in his remarks to the house on October 17, 1968. The development of estrogenic hormones is an outstanding example of a discovery made and developed in Canada, with production continuing in Canada under the laws as they have existed to date. As a result of this extremely successful discovery this particular company has prospered and expanded and has in consequence developed the most extensive drug research facilities in Canada. From reading the report of the Harley committee and the two commissioners, one gets the impression that because most large Canadian drug companies are foreign subsidiaries there is little potential for the Canadian export of drugs. The example I am dealing with belies this suggestion since this company now exports more than $11.3 million worth of estrogenic compounds annually. In addition to payments to farmers, the company also pays out substantial amounts in wages, for goods and services.

The question which I should like to see the committee consider is whether under the change proposed by Bill C-102 it would be possible for the success story I have outlined to be repeated with a future Canadian discovery. I would hope that the committee would consider whether the shifting of sources of supply, as predicted in the testimony to the Harley committee which I quoted, poses a danger to the P.M.U. industry as well as to the growth of this industry. The Harley committee, in its report at page 2604 of its proceedings stated, and I quote:

> No recommendations could be considered, which, although designed to lower drug prices . . . might . . . have a detrimental effect upon other aspects of the Canadian economy.

This statement was set forth by the committee as a basic principle from which other recommendations of the committee would flow.

Since Bill C-102 is the direct result of the Harley committee's recommendation, I would urge the committee of this house which will consider Bill C-102 to give effect to this basic principle enunciated by the Harley committee and, in consequence, to consider thoroughly any economic effect upon this industry or other areas of the Canadian economy.

• (9:00 p.m.)

Another industry which needs to be looked at again and in greater detail is the fine chemicals industry. The minister stated on October 17, 1968 as recorded at page 1514 of Hansard for that date:

> Even now, as pointed out by the Harley commission and admitted by the drug industry, pharmaceutical corporations in Canada, taken together, import some 85 per cent of the active ingredients from their parent corporations or other foreign producers.

This may be true, but I would ask the minister and the committee which will be studying the subject, if it is not a desirable objective for Canada to encourage rather than discourage the industry. The latter will be the case if Bill C-102 passes in its present form. Is there not a way to at least allow this industry some hope for expansion within the confines of the government's stated objective to reduce the cost of drug ingredients by allowing foreign competition?

On October 17 when the minister introduced Bill C-102 he indicated that the proposed legislation should not be assumed to be discriminatory against domestic manufacturers. He stated they will continue to enjoy a virtual monopoly for their products while such products are classified as a new drug by the Food and Drug Directorate. This view was expressed, not as an opinion but as a fact by the Harley committee in respect of its proceedings at page 2636 as follows:

> After full consideration your committee is of the opinion that under the present system, the patentee has ample time to establish and consolidate his position in the market (and thereby recuperate his research cost) by virtue of the fact that it takes some four to five years for the drug to lose its new drug status as determined by the food and drug directorate. As explained earlier it is more "likely" that a compulsory licence will be sought prior to the date the drug loses its status as a new drug.

It is true, therefore, that the Harley committee in making its recommendations for amendment of section 41(3) of the Patent Act considered that the patentee had time to recoup his research cost and consolidate his position in the market in virtue of non-competition during the period of the new drug status, which the committee accepted as a fact to be four or five years.

I should like to point out to the minister that this is one specific area which should be reviewed. This so-called fact, accepted as such by the Harley committee, is not a fact at all. Even under the previous act, at least one