based on the recommendation of the special committee on drug costs and prices chaired by Dr. Harley. The Harley committee based its recommendation concerning the amendment of subsection 3, section 41, of the Patent Act on the recommendation in the Hall Commission report which commission in turn based its recommendation on the recommendation of the Restrictive Trade Practices Commission.

In going through the recommendations of the Harley committee, I find myself in general agreement with 21 of the 23 recommendations. The only recommendation to which I take exception is recommendation No. 18 which is the basis for the bill before the house. In reading through the Hall Commission recommendations with respect to drugs I find myself in agreement with 22 of its 24 recommendations and, in the case of the Restrictive Trade Practices Commission recommendations, I agree with all but one of their seven recommendations. The committee and the two commissions have made an exhaustive and thorough study of the safety and cost factors involved in the sale of prescription drugs to the public in Canada. Unfortunately, the two commissions and the Harley committee failed to give in depth attention to the effect which some of their recommendations might have on further capital investment in manufacturing and research facilities and to the growth of certain ancillary raw material supply industries located in Canada. I am intervening today in the hope that when Bill C-102 is considered in committee detailed attention can be given these items.

The official opposition has expressed concern at the possible health dangers involved to the public in the importation of drugs and drug ingredients. I do not share this concern as I have complete confidence in the ability of the Food and Drug Directorate to enforce the safety standards necessary to protect the Canadian public. I cannot imagine any Canadian government official taking a risk with the health of the Canadian people. If the facilities are not yet available for adequate testing of these imports, then the Food and Drug Directorate obviously will not allow such importations until it is able to impose adequate surveillance.

The basic issue posed by the amendment to subsection 3 of section 41 of the Patent Act has been succinctly stated by D. H. W. Henry, Q.C., Director of Investigation and Research, Combines Investigation Act, to the special committee on drug costs and prices on February 7, 1967. Mr. Henry said:

> —The first fundamental issue emerging in this committee's proceedings is whether a drug manufacturing industry ought to be preserved in Canada in its present form. To do so requires continuation of the present protective devices which the industry considers necessary to its viability, but which deny Canadians access to less costly supplies of drugs. To remove significant elements of that protection (as by extending compulsory licensing to imports, or by abolishing drug patents) should lower the prices of drugs reaching the Canadian market but may well shift some sources of suply to plants abroad. It is possible that some Canadian drug manufacturers may become distributors to a greater extent than they are now. Manufacturing would then tend to concentrate on those products which Canadians can produce most efficiently.

Bill C-102 reflects these views and the minister in his remarks of October 17, 1968 indicated that these views were in effect the basis for Bill C-102. I say that I share the minister's hope that as a result of Bill C-102 drug prices will be lowered to the Canadian public. The expert witness I have just quoted indicated in these general terms what he thought the effects on the drug industry would be if compulsory licensing of imports were allowed. I wish to point out that the possible effects mentioned by this witness have not been completely investigated. Certain other side effects have never been mentioned, let alone seriously considered by the Harley committee or the two commissions.

It was this particular area of neglected attention which led to my original interest in the drug bill. My constituency, as it existed before redistribution, had 26 farmers who were supplying P.M.U. to a major pharmaceutical company in Montreal. The initials P.M.U., for the uninitiated, stand for pregnant mares urine. Since redistribution my constituency has six such suppliers of the raw material for estrogenic hormones. The total number of farmers involved in this field in Canada exceeds 600 and the revenue which these farmers derive from the sale of this product exceeds $7.5 million annually. To give you an idea of the importance of this agricultural product in comparison with other sources of agricultural income, I should point out that the total peach production in Canada in 1966, according to the Canada Year Book, was valued at $7.4 million; grape production, $6.6 million; sugar beet production, $12.1 million and sheep and lamb production, $9.4 million. Of particular importance is the complementary nature of the revenue so derived. The production season is from November to