Compulsory licensing in Canada has been extremely effective in lowering the cost of drugs in comparison with other industrialized nations. Therefore, why is this Conservative government once again abandoning a process which has been effective and good for Canadians? Once again it is catering to American interests over Canadian ones.

The Conservative government's decision to eliminate compulsory licensing in this bill represents two major concessions to the United States in both the GATT negotiations and the North American free trade agreement negotiations.

While U.S. firms and other multinationals operating in Canada will gain considerable advantage from this decision, it is still a mystery what, if anything, Canada will receive.

When I engaged in consultations with various groups regarding Bill C-91, the cost of drugs in Canada was a recurring issue. The Canadian Drug Manufacturers Association, consumer groups and senior citizen groups have all indicated their anxiety that this bill will lead to higher drug prices. The Ontario Ministry of Health expects the elimination of compulsory licensing to have a major negative impact on the province of Ontario's drug benefit plan. According to the minister, Ontario could lose as much as $80 million to $100 million per year if compulsory licensing is eliminated. This view has been echoed by other provinces.

The CDMA says that the bill would adversely affect its members. Expansion plans would have to be abandoned and growth would stagnate.

Furthermore, because the legislation would be retroactive to December 20, 1991 and my colleague, the member for Glengarry—Prescott—Russell, just talked about that, some 22 patented medicines approved since that date would be revoked. Retroactivity is what he was speaking of.

As a result, Canadians will not have the benefit of competition on these 22 products because generic copies are far less costly. It is estimated that if these were granted and generic copies were produced and sold on the market, Canadian consumers would save over $400 million before the year 1996.

The regulating body which is the Patented Medicine Prices Review Board has been ineffective in protecting Canadian consumers. This is not only my opinion but also my colleague's opinion. I would like to tell you what is wrong with the present Patented Medicine Prices Review Board.

This board was created in 1987 and it was the aftermath of the wonderful Shamrock conference in Quebec when the Prime Minister and Ronald Reagan and the heads of two major American corporations got together. Nobody among the pharmacists or public at large understands its reporting mechanisms.

If you want to stop and think about what has happened to the pharmaceutical manufacturers in Canada, none of the board's reports about the increases in cost of drugs corresponds to independent price surveys; reports from insurance companies, the provincial government formularies or drug payment benefits.

You would even stop and think about the chairman of that board. He might be a good economist but he has not the biggest idea about the pharmaceutical industry because he happens to also have a conflict of interest when he sits as an employer of the University of Toronto which is a major recipient of scholarships and research grants from the pharmaceutical interests. The vice-chairman of the board has a direct conflict also. He is a pharmacologist at the University of Montreal and he also accepts research grants.

Have you ever heard of a pharmaceutical manufacturing company going bankrupt or going out of business in the last few years? They just listed this past week the seven or eight companies in the world that are the major profit making industries. The pharmaceutical industry is one of them.

Not a single pharmaceutical industry in 25 years has gone out of business. Very little basic drug development research is done in Canada despite all the promises from the PMAC and the situation will never change. I think the solution to this has to be to establish a new prices review board with more human and financial resources and greater legal powers.

It should be comprised of seven full time members appointed from the certain groups. They should be representative of the consumer groups, the provincial drug benefit formularies, the brand name pharmaceutical manufacturers, the generic pharmaceutical manufacturers, a retail pharmacist, a hospital pharmacist, a physician with background in family medicine and geriatrics.