

parliamentary committee because it provides essential information on the complexities of the whole field of the origination, development, testing and distribution of therapeutic substances. By the very nature of its task the commission was primarily concerned with the economics of drugs and its investigations commenced with a study of the antibiotic drugs and the ataraxic or tranquillizer drugs although testimony covering a much wider field was considered.

The commission examined the effect of sales tax and the dumping duty provisions of the customs on the price of drugs in this country but made no specific recommendations for changes in the relevant legislation. It is our view, as previously stated, that the elimination of the 11 per cent federal sales tax would represent a practical step toward the reduction of drug prices and a step which is clearly within the competence of parliament.

The most far-reaching recommendation of the Restrictive Trade Practices Commission was "that patents with respect to drugs be abolished". The current position in Canada is that a pharmaceutical product may be patented if produced by a process other than a chemical one, but whenever the process of manufacture is chemical, a patent can be obtained only for the process or for the drug when produced by that process. There is little doubt that the protection afforded by such patent has been a powerful incentive to large investment in research and investigation with the consequent discovery of many useful pharmaceuticals. It is accurate to say that relatively little of this research has been carried out in Canada. There are, however, notable exceptions and plans for the establishment of research divisions in Canadian pharmaceutical plants are going forward.

It is our view that the public interest in Canada is protected from the potential abuse of patent rights by the provision of the Patent Act which provides for compulsory licensing of an applicant who is adjudged to be capable of producing the substance which has been patented. The adverse effect on research effort which would follow the abolition of drug patents constitutes the principal reason why we do not agree with this recommendation. It is suggested that the saving in the price of drugs would be small compensation for the handicap to the discovery of further pharmaceuticals which may be of the utmost benefit to mankind.

### *Summary*

In this submission on behalf of The Canadian Medical Association we have stated:

1. Our belief that the use of insecticides and pesticides does not produce contamination of foodstuffs which we recognize as a hazard to health.
2. Some factors in the process whereby Canadian doctors gain their knowledge of therapeutic agents and their interest in the availability of increasing numbers of efficacious drugs of low toxicity at prices which are consistent with high quality.
3. Our endorsement of the recommendations of the committee of the Royal College of Physicians and Surgeons of Canada on appropriate measures related to the introduction of new drugs.
4. Our appraisal of the work of the Food and Drug Directorate, Department of National Health and Welfare, and our desire that its facilities be strengthened.
5. Some thoughts on the physicians' reaction to the promotional measures adopted by pharmaceutical manufacturers.