

CONTENTS

	PAGE
Chapter I—TERMS OF REFERENCE.....	5
Chapter II—BACKGROUND TO THE REPORT.....	6
1. The Basic Principles.....	6
2. Material Available.....	6
3. Introduction of Medicare and/or other Health Services.....	7
Chapter III—THE DRUG INDUSTRY IN CANADA.....	8
1. Types of Industry.....	8
2. Control of the Industry.....	9
3. Drug Manufacturers.....	9
4. Nomenclature in the Industry.....	11
5. Profits in the Industry.....	12
6. Regulatory Control of the Industry.....	13
7. The Hilliard Report and the Boyd Report.....	14
Chapter IV—COST OF DRUGS TO THE CANADIAN CONSUMER.....	14
Chapter V—THE ROLE OF THE PHYSICIAN, THE HOSPITAL AND THE GOVERNMENT IN DRUG USAGE.....	16
1. The Physician.....	16
2. The Hospital.....	17
3. The Governments—	
(a) Federal.....	18
(b) Provincial.....	18
Chapter VI—FACTORS AFFECTING DRUG COSTS AND PRICES.....	18
1. At the Manufacturer's Level.....	18
(a) Anti-Dumping Duties and Tariffs.....	18
(b) Marketing and Promotional Expenses.....	19
(c) Brand Names.....	23
(d) Research and Development.....	24
(e) Maintenance of Special Drugs for Special Purposes.....	28
(f) Drug Safety and Quality Control.....	28
(g) The Federal Sales Tax.....	29
2. At the Wholesale Level.....	31
3. At the Retail Level.....	33
4. Drug Patents and Compulsory Licensing.....	37
5. Trade Marks.....	45
6. Necessity for Price Competition.....	46
Chapter VII—OTHER PROPOSALS MADE AND CONSIDERED.....	47
1. A National Drug Formulary.....	47
2. Appeals from the Decisions of the Food and Drug Directorate.....	48
3. Insurance Plans for Drug Prescriptions.....	48
4. Abolition of "Suggested List" Prices.....	48
5. Drug Price Restraint Programme.....	49
6. A Drug Institute for Canada.....	49
7. Ten-Year Moratorium on Drug Patents.....	50
8. Triple Damages in Patent Actions.....	51
9. Patent Actions and the Exchequer Court.....	51
10. Circumvention of the Food and Drug Directorate.....	51
11. Other Recommendations of the Hall Commission.....	51