if plant breeders can make a reasonable return on their investment. This legislation provides encouragement to Canadian companies to invest in plant breeding. It enables public institutions such as Agriculture Canada and the universities to obtain additional funds for their plant breeding programs. It provides the mechanism for Canadian plant breeders to obtain recognition of their rights in other countries and so obtain royalties.

All these benefits will be lost if this motion passes because the motion, in effect, destroys a large part of the benefit of the legislation. It radically alters the bill by removing from it some of the major crops in Canada.

I will take a moment or two and respond to Motion No. 3. This motion would require the commissioner to grant, on request, a compulsory licence for each cereal, oilseed or pulse variety seven years after the granting of rights in that variety.

This amendment is contrary to the principles of the bill and to the International Convention for the Protection of New Varieties of Plants. Instead of plant breeders being able to plan the marketing of their new varieties on a long-term basis, the breeders would have their marketing system dictated to them without any say in the matter.

The effect of the amendment would be that there would be a compulsory licence for every successful variety of all the major food crops. The commissioner would be required to set the royalty rate for each of these varieties. This differs from the present arrangement in which a compulsory licence is granted only on the basis of a complaint because a variety is not widely available or is unfairly priced.

The amendment diminishes the role of the advisory committee because it imposes an inflexible marketing system which would apply in every situation. There would be no provision for varying the system by regulation on the basis of advice from those affected.

The impact of this amendment would be greatest in small niche markets, such as those in the Maritimes and British Columbia. There would be no incentive to seek out varieties for small specialized markets if, after seven years, the variety owner had to make it available to competitors to sell.

The amendment provides a particular disadvantage to varieties bred in Canada, and might act as a disincentive to investing in plant breeding in Canada. With an introduced variety from another country, it might be possible to bring in sufficient seed stocks to benefit at least from seven years of exclusive or planned marketing. With a Canadian variety, it would take several years to build up seed stocks but the period of rights would have commenced and so there might only be four or five years or exclusive or planned marketing before the variety owner had to surrender the variety to competitors.

There is some difficulty in knowing how this amendment is intended to work. The proposed new subsection 3 is exempted from the conditions of the present subsections 1 and 2, but not the subsequent subsections. The present subsection 4 allows the altering or revoking of compulsory licences on the basis of representations to the commissioner. So, it would be expected that every compulsory licence granted under this amendment would be challenged, particularly as there is no provision in it for a prior hearing. This is a recipe for chaos, with a review required on every variety of food crops granted a right.

The international convention stipulates that rights may only be limited in the public interest. This proposal does not allow for any evaluation of the public interest. Instead, it imposes a marketing system which severely limits the rights of the plant breeder. The plant breeder may have set up a network of licensees to supply the market, but after seven years any market development they have done will be to the benefit of their competitors who will be able to take over the market since they will not have had the cost of variety development and promotion.

This motion would greatly increase the cost of administering the legislation. Instead of the compulsory licence being an exceptional provision for resolving abuses of plant breeders' rights, it would apply to every successful food crop variety. The market potential of each variety would have to be assessed to determine an equitable royalty rate. Even in the same crop kind, such as spring wheat, the appropriate royalty might be quite different for a variety adapted to a few thousand acres in the Maritimes as compared with one adapted to millions of acres in western Canada.

The Acting Speaker (Mr. Paproski): On debate, the hon. member for Burnaby—Kingsway.