

shall have power to sell or otherwise grant the patents or discoveries which are made. We know that to-day patents are one of the causes of the grip which monopolies have upon our economic life. While personally I have no objection to making any inventions and patents available to private enterprise, so to speak, I think the crown should at all times retain the absolute right in them so that they can license not only one but two or three, because our hon. friends who support private enterprise say that competition is the life of trade. I therefore move that the words "or sell or otherwise grant" in the first line of paragraph (i) of the new section 10 be deleted.

Mr. HOWE: I think my hon. friend is mistaken about the nature of the transaction referred to. The national research council is the agency of the corporation of the United States which handles patents in that country. The national research council handles the Canadian rights to patents owned by the government of the United States, through this corporation, and also handles Canadian rights for the government of the United Kingdom, and it may lease or sell as instructed by the owners of the patents. Though it is not the practice of the national research council to sell its own patents—usually the practice is to grant non-exclusive licences—nevertheless there may be a patent which has no value so far as the commission can see. Take magnesium which we have discussed to-night. Had there been a patent, and had the commission reported the process not desirable for the government to enter into, nevertheless private enterprise saw possibilities that warranted further development. If private enterprise had been unable to do so because they could not acquire the patent, that would have been an unfortunate result. In other words, the fact that a patent has been granted should not be allowed to prevent others from carrying on further with the development if they are prepared to pay a reasonable price for the work that has been performed and for the patent that has been obtained. Therefore there are many reasons why refusal to sell might be contrary to the public interest.

Mr. JAENICKE: What section would that be?

Mr. HOWE: The hon. member read it himself, section 11.

Mr. JAENICKE: With great respect I suggest to the minister that section 11 does not mean they have the right to sell.

[Mr. Jaenicke.]

Mr. HOWE: The section reads:
... shall be made available to the public under such conditions and payment of fees or royalties or otherwise as the council may determine—

What is "or otherwise"?

Mr. JAENICKE: I would say the implication there is that it simply means to license.

Mr. HOWE: Are you a lawyer?

Mr. JAENICKE: Yes.

Mr. HOWE: I will sit down. I am told by my legal advisers that under this section the council has been selling these foreign rights for a great many years. I presume my hon. friend would not give it as his legal opinion that they have been violating the act in doing so?

Mr. JAENICKE: I would not be prepared to answer that at the present time, but I will look into it.

Mr. COLDWELL: Which is a good legal answer, incidentally.

Mr. JOHNSTON: I shall not enter into the legal interpretation; but the thing that does amuse me is this: A minute ago when we were discussing section 8 the hon. member for Kindersley seemed to be very much concerned lest the research council would not be able to sell products which they manufactured. He took strong objection to that.

Some hon. MEMBERS: No.

Mr. COLDWELL: He said he did not care what happened to it.

Mr. JOHNSTON: Now he takes the other stand and wants to make sure that they do not sell them.

Mr. COLDWELL: No, nothing of the kind.

Mr. JOHNSTON: I am pleased that the minister has clarified section 8—and I understand that section has not been passed; at least, if it were, I did not hear it. The minister has said that the council as set out will not go into business of manufacturing articles for sale. I think that policy is sound.

With respect of section 7 (i), I agree that the research council should not sell patent rights. I have no objection whatsoever to their retaining possession of patents, and then letting them out for royalties, or by some other means, so long as they keep control. I am expressing my own personal view when I say that I believe there have been and still are cases where large companies have deliberately prevented the manufacture and sale of certain