

Mr. MITCHELL: Dr. Cooper, when you register a new product in Canada is it not covered by patent?

Mr. COOPER: Generally this is true.

Mr. MITCHELL: What is the life of the patent?

Mr. WHITE-STEVENS: It is 17 years in the United States.

Mr. MITCHELL: Is it the same here?

Mr. COOPER: We have a very odd situation in Canada; it is not comparable to the United States. As you are aware, we have several loopholes but, generally speaking, ours is 17 years. However, we do have cases where you can get a compulsory licence and this is used.

Mr. MITCHELL: I am getting into another field now. Are not your pharmaceutical patents being attacked as to their life span at the present time?

Mr. WHITE-STEVENS: No.

Mr. McDONALD: There have been the restrictive trade practices commission's seven recommendations, as you know. Five of those recommendations have been instituted. Mr. Mitchell, as the seventh recommendation affects retail drug stores, I will make no comment on it. However, number six concerns the recommendation for abolishing patents with respect to drugs. This is obvious ridiculousness; and you know, Mr. Mitchell, what a dastardly effect it would have on Canadian industry if this recommendation was put into effect.

Mr. MITCHELL: I had the privilege of appearing at the time in question. It would not worry me at all.

Mr. GELBER: Mr. Chairman, I would be interested in knowing how the company handles research. As you know, the amount you could spend on research is limitless, and there must be some rule of thumb to determine this.

Mr. STOVEL: We operate in many different fields, and we have research going on in a number of these different fields. Normally a business assessment is made in reference to sales and potential profit, where you are going to gamble on putting your research money. Once you have made that broad assessment, then you have to look at different individual activities going on in the research field and determine whether it is worth while or whether you should drop back. It does involve a good deal of guesswork.

Mr. GELBER: Does it bear any relationship to your sales?

Mr. STOVEL: Yes, it bears a relationship to your potential sales and net profits.

Mr. GELBER: You would not have a rough figure in respect of how you calculate it?

Mr. STOVEL: Our company is roughly spending \$2 million in agricultural research on pesticides alone, and this is world wide; that is, it involves what goes on in Canada plus several areas in the United States. Judgment is exercised in respect of what particular types of compounds and pesticides will be followed up.

Perhaps Dr. White-Stevens could give a more accurate picture from the research end and how their recommendations are brought to management.

Mr. WHITE-STEVENS: Of course, what Mr. Stovel has said is correct. Total agricultural research over the entire scope of the field is our major commodity, dollarwise, and we spend in the vicinity of \$6 million a year. This relates to all phases of research and development, including grants to universities and experimental institutions, which are very expensive. I could not tell you what