9. "When a Canadian subsidiary buys pharmaceutical chemicals or finished drugs requiring further manufacture from a parent company, these goods are valued at the estimated cost of production plus an allowance for profit equal to 50 per cent of the exporters' manufacturing cost." (Minutes 1188)

This use of the word "profit" is inappropriate. It is a customs mark-up for the determination of the fair market value.

10. "The Kefauver Report pointed out that significant discoveries had been made by European pharmaceutical industries in countries which did not offer patent protection, and at that time these advances had outstripped the rate of innovation in the patent-protected United States drug industry." (Minutes 1189-90)

This statement is based on table 38 developed by the Kefauver Committee staff, and its inaccuracy was testified to by the U.S. Commissioner of Patents. For instance, two of the most productive countries, Germany and Switzerland, were listed as non-patent countries, although they do in fact grant significant patent protection to drugs, Patent attorney George Frost characterized the table as "full of errors of fact, errors of law and errors of analysis." He found in it 24 errors of fact.

11. The Consumers Association uses 1960 figures to show that the patent laws do not lead companies to undertake research in Canada. (Minutes 1190)

The CAC might reasonably have tried to find out whether more up-tp-date figures were not available. The expansion of research expenditure in Canada in the past five years has more than tripled.

12. Suspension of patent legislation "would greatly increase competition in the ethical drug industry, thus improving Canada's international competitive stance in pharmaceuticals..." (Minutes 1190)

Since the main result of such action would be to discourage the expansion of the research-based industry in Canada, it is hard to see how it would improve our "international competitive stance."

13. "Extension of FDD powers to include checking of imports under licence and inspection of plants producing final dosage forms would insure the quality of drugs imported under these licences." (Minutes 1190)

Extension of FDD powers in the drug safety field, and a strengthening of FDD staff, are most desirable, but the Directorate, as its spokesmen have themselves said, are not capable of "insuring" the therapeutic quality of all drugs sold in Canada.