

Patent Act

Mr. Pickersgill: It is estimated that it will produce in the next fiscal year about \$184,000. The deficit would almost certainly be greater this year, and probably in the next year greater still.

Mr. Fulton: Can the Secretary of State say whether the deficit is due mainly to the feature mentioned by the hon. member for Ottawa East, that it is brought about by printing costs and things of that kind, or whether the shortage of revenue as compared with expense is created mainly by increases in salaries? In other words, is it due to actual operating costs, that is, costs of materials, printing and the like, or the 40-hour week or some similar arrangement?

Mr. Pickersgill: I do not think, Mr. Chairman, that I would really be able to give an answer that would satisfy even myself. As the hon. member for Ottawa East said a moment ago, it is a question whether it is essential to have a patent printed. If it is essential, then the nice question arises as to how to spread the overhead. The printing cost is so much; and I am pleased to be able to say that, from the best evidence I have been able to get thus far, the costs per unit are steadily decreasing. Some new types of processes are being introduced which have had the effect of reducing costs steadily.

I have no doubt however that the hon. member for Ottawa East, who is very much better informed about the details surrounding this kind of thing than I can profess to be—because he deals with them constantly—will know that the main part of the deficit, if one may so describe it, arises because it costs a lot more to print the copies than the sale of those copies brings in, even adding the sale of the *Patent Record*.

But in my view that is not very good economics; because if patents have to be printed anyway, then it could be argued in another way that everything brought in from the sale of them was pure gain, and that the printing is an essential part of the whole process. It is the kind of question about which very high-priced cost accountants quarrel, and therefore a layman like me, who is not an accountant of any sort, really has not an opinion that is worth giving to the committee.

Mr. Fulton: What I had in mind was that there are only certain of the tariff items being increased. I believe there are seven of them. If the increases are designed to avoid a deficit which would result from increased operating costs, then I am wondering why all items were not increased proportionately.

For instance here is one:

On filing an application or petition under sections 41, 47 or 67 or 68; for each patent mentioned therein, \$10.

That is the same as the old fee; there is no increase. If costs and salaries have increased, while it may be true that the physical volume of work required to fill such an application has not increased, the cost of maintaining a staff and premises certainly has. I know that all costs in connection with the land registry office have increased, and therefore all fees were increased. I am wondering what the situation is here.

Mr. Pickersgill: The fees were increased in those cases where the number of transactions was considerable and where the revenue was in substantial amounts. There are some of these items in which the revenue is so inconsiderable that I imagine it would be a nice question as to whether reprinting the tariff of fees and producing a new document, with new amounts on it, would not cost more than it would be hoped to get out of it.

Mr. Fulton: But you have to print it anyway, do you not?

Mr. Pickersgill: The whole tariff, yes. But I presume—and here I must say I am on very dangerous ground because I am theorizing about something concerning which I have no direct knowledge. But I imagine these things have to be printed in many different places. If only a very few applications come in, it may be more inconvenient to change them than not. In any case the amount of revenue produced in those cases, so I am informed, has not been very considerable.

Mr. Thomas: What increase in revenue does the minister expect this year from the increased fees? Incidentally, I noticed that the hon. member for Ottawa East took me to task for referring to the privilege granted to those who obtained patents. Possibly he did so quite properly, because I think I should have used the word "protection" instead of "privilege".

Mr. Pickersgill: The word in the statute is "monopoly".

I think I gave the figure a moment ago to the hon. member for Kamloops, when I stated that it was estimated it would produce about \$184,000 in the next fiscal year. This will not come into operation until April 1.

Mr. Fulton: Does the minister feel disposed to give the committee the other changes that have been made by order in council, or by the Secretary of State on his own book?

Mr. Pickersgill: There are two items of the supplementary tariff which is established by order in council P.C. 2637 of June 10, 1948, under authority of section 75 (4) which empowers the commissioner of patents, with