

line, and service to firms too small to have their own research program.

[528] The smallness and other traits of the associations' present activity are to be explained by the following facts: 1. With their cooperative basis and volunteer leadership the associations are inherently unsuited to pursue, fight over and exploit *patents* in the commercial, exclusive, competitive, and profit-maximizing manner which is largely necessary to make patents pay for their large overall costs. We have observed the same indifference toward patenting in other noncommercial invention sources—governments (§ 225), scientists, foundations (§ 452). 2. The associations therefore restrict themselves chiefly to searches that neither patents, Government, nor other institutions will pay for. 3. Since most of their production is therefore free to all, they cannot charge heavy membership dues, since that would lead firms to withdraw and still garner most of the benefits of membership. From these three facts the associations stand perpetually condemned by the present arrangements to small dues, small creative programs, and small accomplishment in research and invention. They might do more⁵²¹ than today; they cannot do much. The same considerations apply to the professional and technical societies, and to agricultural and other cooperatives, which managed to put up an additional 6.9 millions⁵²² (§ 388, 447).

[529] Evidently the crucial obstacle to the expansion of trade association R&D is financing it. This might be taken care of by Government grants, or, as would seem preferable, by affording the associations compulsory membership. The method of grants has been used in England, since 1919, and in Holland and Sweden.⁵²³ Fifty British industries are now organized with R&D functions, covering 55% of manufacturing, and employing over 5,000 research people, of whom 1,450 are graduates or equivalent, and 950 administrative. Of their total income of £6.5 million in 1958–59 the Government contributed £1.7 million, through the Department of Scientific and Industrial Research, amounting to 0.52% of the governmental and 0.36% of the nation's total expenditures for R&D⁵²³. The benefits to the member companies have included not only the published discoveries and inventions, but sometimes confidential information, or patent licenses on free or reduced terms, personnel training, and the rights to influence the choice of researches, put questions to the staff, and engage its free time for their own problems, at cost.

[530] The British Government also heavily supports Research Councils, and the National Research Development Corporation, which holds 3,000 patents and applications (§ 434, 439).

A NEW PLAN FOR THE SUPPORT OF INVENTION⁵²⁴

[531] If inventive trade associations had *compulsory membership*, all their financial difficulties would disappear like dew, because they could impose dues as heavy as they please, for which the companies would reimburse themselves by the delightfully simple process of passing the charge on to the consumers.⁵²⁵ At least most of it would

⁵²⁵ A rather similar support is now accorded to the British textile and the French petroleum and steel industry associations, through taxes levied on production of those commodities. Green & Judkins, N 378, pp. 22, 23.