

Exhibit 3
Sample R&D Projects for Canadian Firms

1. Network training system
2. Multi-user LANS
3. Impulse radar development
4. Diagnostic expert system shell
5. Digital seafloor mapping
6. Terminal protocols in process control
7. ISDN advanced product development
8. Wide area networking control

R&D expenditures on the identified projects ranged from a few thousand dollars to over CDN\$20 million. In contrast to precompetitive R&D, product related research was far more dominant with 35 projects identified by the 76 companies.

Smaller and medium sized Canadian firms tended to emphasize government initiatives as a means of furthering their research programs and assisting in the identification of new technology opportunities. In fact this was one of the most important requirements identified in the industry survey. The support and assistance of such programs as IRAP and TIP were noted in this regard. Other support measures included:

- 1) sponsored trade missions;
- 2) trade shows;
- 3) study trips;
- 4) research networks;
- 5) increased contacts with Universities;
- 6) incoming missions;
- 7) information seminars.

In contrast to the situation in Japan, several European countries, the U.K. and the European Economic Community (EEC), Canadian high technology informatics development is not directed to any great extent by a specific strategy or long term program. This lack of strategic focus was identified by the survey respondents as a major deficiency in Canada's information technology industry