

recent Search 20 conference on Canada's research priorities in this area; b) the programs and consultative processes managed by Industry, Science and Technology Canada (ISTC); and c) the existing S&T programs.

2. Consultations should be initiated by the government with Canadian industry, especially SMEs, to determine the extent of interest in participation in the showcase European S&T programs (RACE, ESPRIT). Potential industry financial commitments should be determined. Likewise the current bilateral agreements with organizations such as the European Space Agency should be continued or enhanced to strengthen the existing base of cooperation with Europe.

3. -As part of this examination phase, preparations should be made for selected industry and government representatives to attend the next round of European S&T reviews or general assemblies, e.g., the next ESPRIT annual conference. If Canadian industry is to be geared up to participate in the next phase of RACE or ESPRIT projects, a minimum of 18 to 24 months time is required. The next round for RACE projects is 1991; there are annual reviews for ESPRIT.

4. The possibility of a more formal S&T arrangement with the EC in the telecommunications and computer sectors, including an analysis of Canadian interests in specific sub-sectors, as well as the cost-benefits of different S&T modalities, should be explored in detail. The Technical Cooperation subgroup of the Interdepartmental Working Committee on Telecommunications and Informatics has begun a preliminary analysis; this review should be pursued.

5. The dialogue between government and industry on Europe 1992 should be continued with increased activities by line departments with their constituencies.