

procurement can have a marked effect on investment location. While the NAFTA and WTO/Government Procurement Agreement provided increased access to some areas of U.S. government procurement, there remains much work ahead. Canadians should be concerned about the wide variety of "Buy America" provisions that persist and to which are being added others for federally-funded technology infrastructure programs. Enhanced small-business set asides, and bilateral accords on government procurement are increasingly protectionist in tone and implemented in favour of U.S. products. The U.S. approach, which is targeted to curtail "leakage" on the part of U.S. buyers, also appears set to discourage Canadian and other foreign sellers.

Intellectual Property

Traditionally, trade in intellectual property was not considered a trade issue, as IP is not a product *per se*. Moreover, while in the past most attention was paid to patents, information technology, which can be easily replicated, has placed greater attention on questions of copyright and new forms of protection, such as trade secrets.

The U.S. and the EU are leading the push to redefine intellectual property. Indeed, the unilateral use of U.S. domestic legislation by Washington has become part of the trade negotiating process. Canadians, on balance consumers rather than producers of IP, should be concerned about technological protectionism and the monopolization of information that may have an adverse effect on competition. Enhanced IPRs can lead to the concentration of innovation as firms exercise their monopoly rights to prevent or delay the transfer of technology. While Canadian IPRs do not appear to discourage the amount of R&D done in Canada, evidence suggests that a stricter IP regime in the U.S. which gives more emphasis to the right to protect than the requirement to disclose, and which retains several discriminatory features, will reinforce monopolistic and oligopolistic tendencies in world trade. As a result, Canada will need more than ever to push for transparent, non-discriminatory and economically sound rules for trade in intellectual property.

Anti-trust/Competition Policy

The relationship between IPRs and competition enforcement is not new. However, according to many commentators, it too is moving to the top of the trade policy agenda. There are also a number of anti-competitive practices relevant to the advanced technology sector supported by governments "passively" through existing competition policy exemptions on technology consortia, investment locational