

demographic trends that darken their prospects. Their governing legislation is very restrictive in that regard.

13. The crux of the problem is possibly of an historic and cultural nature. The profoundly segmented and competitive social and political system in which Canadian business operates - every corporation, even a bank, is everyone else's adversary - will require a long period of adjustment before attitudes change and a policy of concerted and cooperative national effort is adopted. Let us hope that our experience in the meanwhile is not too harsh.
14. While high technology activities usually follow socio-economic criteria (costs/benefits, R&D investment, proximity of universities, material and financial infrastructures, local amenities), every Canadian policy suffers from interregional competition. Each province has its incentive program for industry (including procurement), for the distribution of funds to universities and research institutes, and for distribution among municipal "poles". Our federal tax system is deemed comparable, in equity and generosity to those of other countries. Nonetheless, overlapping federal, provincial and municipal jurisdictions are major obstacles to investment. ("Canada Tomorrow", op. cit., p. 10). Surrounded by this confusion, the federal government hesitates and refuses to decide between regions: its ability to act is limited by domestic constraints.

The role of the Department of External Affairs

15. These constraints weigh heavily on DRIE, whose responsibilities for industrial development can come in conflict with its mandate to ensure balanced interregional industrial activity. In consequence, the foreign service must be able to work directly with its customers, including the provinces and industry. Furthermore, the work of Trade Services could not be effective if barriers were erected between our foreign missions and their clients. One can easily imagine the discouragement of an industrialist having to battle his way through the successive levels of authority (municipal, provincial, DRIE, EA) to finally make contact with a foreign trade official, especially if, after completing this obstacle course, he has to run through it in reverse order.