

Most trade law, including much of the GATT/WTO, predates "high technology" as a central trade issue. While the World Trade Organization (WTO) framework will reduce traditional barriers on many advanced technology products and facilitate the international transfer of applied new technologies, much remains to be done to shape and implement trade disciplines in this area. Clearly, domestic technology policies in a number of countries have important implications for Canadian foreign policy-makers. The Department of Foreign Affairs and International Trade plays a number of roles with potentially important consequences for high technology policy - from "scientific diplomacy" to more direct commercial support, to developing new and better rules that reduce or eliminate imbalances that negatively affect Canada in the field of technology. Canada has special needs and must ensure progress on some of these issues in the NAFTA context, and in a forward-looking WTO work programme that will hopefully emerge from the 1996 Ministerial meeting in Singapore.

- **Rationale and Goals**

The ultimate goal of the Sections that follow is to provide an overview of the interplay that Canadian trade policy has and should continue to have on Canadian industrial and technology policy in the future. The discussion is on both financial and non-financial "incentives" which include: (1) organizational and financial support for R&D, while denying international investors national treatment in various technology consortia; (2) locational subsidies for foreign direct investment; (3) public procurement practices; (4) the aggressive use of intellectual property rights to slow the rate of technology diffusion; and (5) lax antitrust enforcement. In addressing these issues, the Paper addresses three fundamental questions:

1. What is the interplay between trade policy and policies targetted at advanced technology in the United States and the European Union?
2. Based on these crossovers, and recent technological and policy developments, what are some of the potential sources of dispute?
3. What are Canadian "interests" in this debate?

More generally, the development of a comprehensive economic strategy linked to federal science and technology policy has become a priority as decision-makers scramble to build cohesion from varied constituencies. These challenges are compounded in Canada by the fact that the trade and technology policy communities still find it very difficult to interact on these issues, while various trade policy specialists (e.g., investment, intellectual property, trade remedies, competition policy, etc.) do not meet frequently to compare and contrast systematically the objectives of