

better rules that reduce or eliminate imbalances that negatively affect Canada in the field of technology. While "technology" issues and initiatives clearly have important implications for Canadian foreign policy, recognition of DFAIT efforts in this area has been slow in coming. The linkages between trade and technology policies appear to be more clearly understood in the U.S. where the Department of State has a formal career path for foreign service officers who make S&T their speciality.

Since Canada's high technology exports are largely destined for the U.S., much of this Paper has been devoted to our neighbour to the south. The impact of the Clinton Administration's partnership with industry to develop "strategic technologies" has yet to be fully felt in Canada. The U.S. Administration has, for example, promoted military-civilian technology links under "dual-use" technology programmes which have stretched the notion of national security and confused legitimate government support for basic R&D with subsidized research for commercial purposes. The Republican sweep of 1994 aside, the enhanced commercial partnership between the U.S. government and industry is a force to be reckoned with and a challenge to the full realization of NAFTA's potential. For example, Republicans and Democrats alike seem wedded to pushing further the frontier of intellectual property rights in all available fora in response to pressure from the U.S. business community.

U.S. policies outlined in the Paper include a package of programmes and legislative changes targeted at strengthening the competitive position of U.S. business at the expense of its major trading partners. Examples of shifts in policy and the importance attributed to these new programmes include:

- a wide range of technology-related legislation that gives enhanced roles to the Departments of Commerce, Energy and Defense;
- a range of programs funded by the Commerce Department and managed by the National Institute of Standards and Technology which include Government-industry technology consortia that target industries that are also of particular importance to Canada (i.e., autos, aerospace and telecommunications);
- changes to federal R&D expenditures to redirect and expand U.S. R&D programs away from defence and space to develop and commercialize competitive new industrial technologies;
- a number of performance requirements for investment (i.e., downstream manufacturing commitments) for participation in publicly funded technology projects;