

and Technological Cooperation (1994-98) will require that non-EC membership in Community R&D projects be permitted only on the basis of a bilateral cooperation agreement. Without such an agreement, Canadian-based firms will not be able to participate in Community-funded projects on a full partnership basis, with full rights to intellectual property, either at the program or the project level of research.

In Japan, Canada has lobbied successfully to be included in international research programs sponsored by the Japanese government. With respect to government funded domestic R&D consortia, the picture is less clear. Canadian organisations face numerous challenges in gaining access to these programs designed to enhance the competitiveness of the national industry. The success rate is abysmal, notwithstanding the existence of a bilateral science and technology cooperation agreement since 1986 and the availability of financial assistance from the Japan Science and Technology Fund.

Canadian firms contacted for comments during the course of this study were unanimous in their support of Canadian government efforts to secure improved access to technology consortia in these countries. All of them reported benefits from their R&D cooperation activities such as product enhancement, increased network of contacts, stronger ties with existing partners and potential for increased sales to the region. However, it is recommended that EAITC, in partnership with ISC and other interested departments, undertake further study to determine the capacity of Canadian high-technology firms to participate in and benefit from membership in foreign-based technology consortia.

Finally, it will be necessary to consult with a number of federal departments and agencies in order to achieve a consensus on this issue since a necessary corollary of improved access may be the requirement to adapt similar Canadian programs to provide reciprocal access to foreign-based firms. It is recommended that the consultation process be initiated, given indications that policy trends in our major trading partners may be moving in a protectionist direction with respect to technology creation activities, a move which might be detrimental to the interests of Canadian firms and to full Canadian participation in the development of new technologies.