

technical product standards and import tariffs on many information technology products in big emerging markets. Restraints of space and time have been real considerations in this regard. In addition, the author does not propose a definitive agenda, but rather hopes that the Paper will encourage debate between and among trade and technology policy practitioners and specialists responsible for what are often treated, somewhat erroneously, as disconnected dimensions of economic policy. In the case of advanced technology and trade policy, the whole is clearly greater than its constituent parts.

The Paper first provides an overview of Canadian performance in technology intensive industries. It then looks at the links between technology and five major policy areas: (1) R&D and subsidies; (2) technology-related investment issues, (3) government procurement (4) intellectual property rights (IPRs); and (5) the potential of competition policy to influence high technology trade and investment. The recommendations that follow from the report (see Appendix I) form an inventory of potential Canadian trade policy objectives that can be broadly summarized as follows:

- foreign government promotion of exclusionary technology consortia, which can act to restrain the flow of technology, should be curtailed; consequently, there should be no discrimination against Canadian-owned, U.S.-based affiliates from participating in U.S.-sponsored consortia;
- at least within the NAFTA area, consideration should be given to prohibiting, on a reciprocal basis, subsidy programmes made conditional on R&D being carried out solely within the territory of the granting government;
- the use of locational subsidies or government procurement contracts reserved for domestic industry should be further limited and disciplined in order to lessen the distortions caused by incentives for private sector high-technology firms to locate in a particular jurisdiction;
- Canada should encourage continued reform of intellectual property law in the United States and follow-up amendments to U.S. legislation which discriminate against Canadian companies. Restrictive technology licensing and the excessive use of IPRs that hurt technology diffusion should also be better controlled;
- Canadians need to develop a precise and acceptable definition of patentable living matter. Canada should, therefore, consider hosting an international enquiry on the broader issues of patenting genetic material and other life forms;