

## V. CONCLUSIONS

### 5.1 Free Trade or Managed Trade?

Drawing conclusions from the relatively limited information as that obtained during the course of this short study is admittedly problematic. There exist several obstacles to meaningful analysis. It is difficult to achieve a consensus on terminology. Different authors employ different definitions, many of which are grossly imprecise and elude comprehension. Commentators with different professional backgrounds frequently have different concepts of technology consortia.

Secondly, the whole innovation process is not well understood, so that it is fairly arbitrary to carve out a 'precompetitive'<sup>78</sup> phase for public support.<sup>79</sup> Perhaps this explains the observed difficulties that governments have faced in giving their programs a commercial orientation. Both Europe and the U.S. have struggled with this question recently. Not to mention recent changes in Canadian programs that deliver assistance to the private sector.

Thirdly, a clearer understanding of the interests of stakeholders would require more than mere anecdotal information, accompanied by a few case histories of Canadian companies that have participated in international alliances. It is possible that a good proportion of Canadian high-technology firms may not be able or willing to avail themselves of the opportunities afforded by greater access. However, this information is not readily available.<sup>80</sup> Some suggestions are given at the end of this section. In the absence of a more systematic survey of opinion, we must formulate our conclusions on the basis of some expert opinion and theoretical models.

In response to the first question as to whether Canadian firms are being discriminated against (on either a most-favoured-nation or national treatment basis), the answer is both yes and no. In some cases, where Canadian firms have unique

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<sup>78</sup> The term 'precompetitive', although widely used, is now largely considered to be a misnomer for 'precommercial' because it is not possible to define a stage of R&D that is not competitive, but it is possible to speak of a given research project being precommercial.

<sup>79</sup> Laura Tyson notes that it is difficult to get precise distinctions between basic, pre-competitive and applied research, and that according to most scientists and technologists these distinctions do not exist, so that R&D subsidy disciplines will require agreement on some tough definitional issues.

<sup>80</sup> The preliminary results of a survey, contracted by EAITC to determine whether Canadian firms might wish to participate in the Real World Computing program, reveal that, of twenty-two organisations contacted, none was particularly interested in joining the research program. Respondents reported a preference for relying on their own established networks of contacts and a reluctance to be tied into such a long-term program. Their timeframes for research are much shorter than that of the RWC program.