

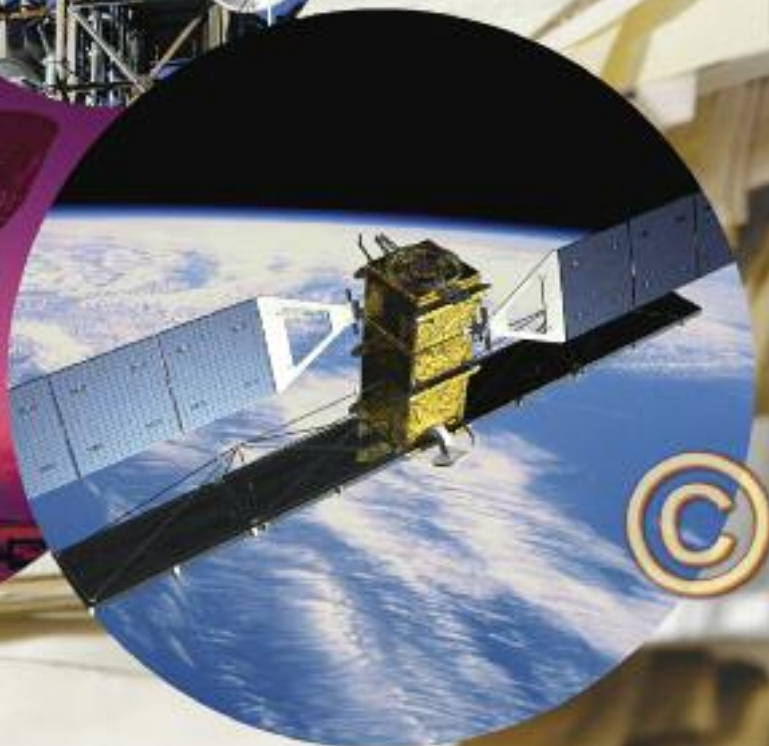
IN DEFENCE of INTELLECTUAL CAPITAL

by Tim Lynch

Both the United States and Canada are currently engaged in public debates involving intellectual property rights in their defence industries. The Canada's Standing Committee on Industry is hearing appeals from military experts about the pending acquisition of the information and geospatial divisions of MacDonald Dettwiler and Associates (MDA), a company based in British Columbia. The sale, to U.S. aerospace giant and arms manufacturer Alliant Techsystems (ATK), would include a transfer of ownership of the publicly funded state-of-the-art satellite surveillance technology known as Radarsat-2.

In the U.S., politicians are questioning the Pentagon's decision to outsource its tanker-aircraft contract instead of providing it to the Boeing Corporation of Washington State. The U.S. Air Force has decided to award a \$35 billion dollar contract to build the next generation of aerial

refueling tankers to the European Consortium EADS. Politicians maintain that Pentagon bureaucrats should rescind that decision in the interests of American national security. Speaking in the U.S. Senate March 7, 2008 Senator Patty Murray (Democrat, Washington State) said "Our bombers and fighters can fly farther and faster because our tankers, which supply gas in mid-air, are always there to support them... Until now, the technology that powered these critical planes rested in the hands of Boeing – and its American workforce – who have been building them for more than 50 years. Until now, our tankers have been built by manufacturers, designers, and engineers who have been able to pass on the skills and knowledge that 50 years of experience brings – and who are bound by law from selling technology to countries that sponsor terrorism."



Senator Murray's statements, translated into Canadian polit-speak, would most likely be attributed to a member of the NDP party as pure socialist rhetoric. Notwithstanding the expectations of free trade, it is understandable that countries seek ways of subsidizing businesses that support the defense of their sovereignty. Canada is comfortable with overtly providing regional development grants, while the U.S. is more comfortable following predictable due diligences supporting oligopolistic, competitive practices.

National security in the modern world is dependent on an understanding of the need to nurture, create and protect intellectual capital in defence of a nation state. Governments around the world are recog-

As one of the larger countries in the world with a geographically complex, challenging and, to a large degree, uncharted domestic domain, Canada needs to assert its sovereignty over potential mineral rights as well as rite of passage within its domestic domain. Canada also needs to guard its sovereignty within its domestic domain above, on and below sea level, as well as on and below the sea bottom. Radarsat-2 represents the application of Canadian publicly-funded state of the art science and technology for accomplishing these tasks.

American politicians are prepared to defend their country's national interests from global trade in defence of their homeland. Should Canadians expect anything less of their politicians? Will Industry

Are they willing to let intellectual capital paid for by Canadians in Radarsat-2 be forfeited to the United States? Such considerations are occurring in a minority government situation and against strong advice to the contrary by some of the Canada's foremost space and national defense experts.

nizing that future skirmishes will be won by the country with the most real time knowledge of the terrain being defended.

Through their support of Radarsat-2 Canadian taxpayers have ensured that their government has the ability to protect their country's terrain from sea to sea to sea. The future of Canada's Radarsat-2 cannot be subject to market forces only.

Once it is acquired by ATK, Radarsat-2 will be subject to the US government's International Traffic in Arms Regulations (ITAR). These regulations control the export and import of defence-related articles, information and service between America and any foreign country. Consequently, Canada will lose all rights to the application of its technology on a first serve basis.

Sovereignty is not claimed it is asserted. Under the UN Convention on the Law of the Sea, nations are required to defend sovereignty in terms of domestic domain rather than coastline.

Minister, Honorable Jim Prentice and the Cabinet of Prime Minister Stephan Harper allow the publicly subsidized MDA to be sacrificed on the alter of free market enterprise? Or, in the interest of being able to protect and assert Canada's domestic domain, will the Harper Government stop the acquisition of Canada's MDA by the U.S. arms giant TKA?

If the decision is to let the deal happen as a purely business arrangement, thereby enriching MDA shareholders but at great loss to the taxpayers who have funded this technology, the Harper government runs the risk of inheriting a similar legacy to the 1959 Diefenbaker government over its termination of the Avro Arrow. **S**

Tim Lynch is a public policy analyst living in Steveston, British Columbia; related maritime policy articles are available at www.infolynk.ca/bcmaritimepolicy.html. Send comments to tim@infolynk.ca

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