

*Commissioner Service in the Year 2000 (Ottawa: The Conference Board of Canada, 1990 Preliminary Draft). See also endnotes 22 and 23.*

23. We recognize that this kind of comparative analysis is problematic. Moreover, interpretation of rates of return and ratios is least questionable in the case of a time series of a single measure as it does not compare different markets, industries or companies. However, a single measure is of limited value given that it does not consider opportunity cost, risk factors or hidden costs — i.e., it does not make comparisons. Comparability is valid in a clearly defined context. Resource allocation decisions, based upon marginal rates of return, can compare markets, industries and companies with intrinsically different rates of return in order to assess opportunity costs. This is particularly valid with trade development programs given the role of the trade commissioner in vetting PEMD applications and in the trade planning and tracking process — i.e., government support is largely under the control of the persons providing the service and measuring the results.
24. This is a result of the weight attached to Canadian business visitors, trade enquiries and industry-initiated PEMD applications results in Latin America and Africa/Middle East, in addition to estimates of future potential.
25. Developed markets can suffer from anomalies or sensitivities to econometric models. The current model forecast Canadian exports to Asia Pacific increasing from \$ 18.5 billion in 1991 to \$ 26.2 billion in 1995 using 1989/90 data. Yet using 1990/91 data, Canadian exports to Asia Pacific were projected to decline from \$ 12.52 billion in 1992 to \$ 5.05 billion in 1996. The end result was a 21 percent decrease in PEMD-Government Initiated funding for Asia Pacific (\$ 1.15 million).
26. Trade development funds (Vote 1) include fairs and missions, investment development, Going Global, World Market Trade Fund, National Trade Strategy, European Renaissance, Technology Inflow and the Post Initiative program. While European Renaissance funding could be considered comparable in purpose to CIDA INC, given longer-term development goals, it has been included given that it is administered by the Department (in any case, it only accounts for \$ 1 million of the \$ 9.139 million in trade development funds for Europe in 1991/92 MCBA data). Grants and contributions to support language training initiatives and institutions/organizations are not included.
27. Michael E. Porter, *Canada at the Crossroads: The Reality of a New Competitive Environment* (Ottawa: Business Council on National Issues and the Minister of Supply and Services, 1991), pp. 318-21. Treatment of the government role in trade development is given limited treatment in Porter and it is clear that Porter considers Canada's framework economic policies as far more fundamental to Canada's competitiveness. Comments on the effectiveness of trade commissioners were largely based upon interviews with senior CEA officials.