

CHAIRMAN'S MESSAGE

Dear Minister MacLaren:

Over the last two months, it has been my pleasure to work with 12 eminent Canadian business people to review the federal government's international business development programs and services. As business people looking at programs designed to serve us, we welcome the opportunity to provide you with our collective views on how this support could be re-engineered to reflect today's realities.

Governments, that is to say, the people of Canada, are experiencing profound fiscal difficulty and, therefore, a review of all Government programs is absolutely essential. These program reviews should be undertaken in the context of "if the program did not exist today, would we be trying to invent it?". As our Committee reviewed trade related expenditures, we were not simply reviewing whether they were effective or of value to various sectors of Canadian industry. More importantly, we were trying to get a sense for whether or not such expenditures could be justified in our current fiscal situation. Hence, our conclusion that through streamlining and elimination of duplication, there are indeed expenditure reductions which can be reasonably undertaken.

In all aspects of Government programs, and trade is no exception, Government has become involved in things in which it was never meant to become involved. Now that such programs exist and industries benefit and bureaucracies flourish, it becomes a major challenge to cut back these expenditures, let alone eliminate them. Having made this point, we sense that Canadians understand the draining impact of our fiscal situation. It will take courageous decisions to reduce our dependency on Government but within our Committee there was an intuitive sense that if Government makes such decisions, they might be very surprised by the positive and supportive response from an overtaxed population. It was in this context that our discussions evolved and our recommendations unfolded.

We wish, therefore, to convey to you five main messages. First, we support the government's efforts to deal with the budget deficit, particularly those which target the elimination of overlap and duplication. While programs supporting international business development are aimed directly at job and wealth creation, we have identified several areas where we believe savings can be made, without impairing the ability of the government to assist Canadian companies in their internationalization efforts.

Although you did not initially intend this to be a cost-cutting exercise, throughout our review we were conscious of the need to reduce the government's expenditures to meet deficit targets. The recommendations put forward, if implemented, will result in cost savings of \$55 million for the Department of Foreign Affairs and International Trade and \$115 million for government. If all departments effected cuts of approximately the same magnitude as are suggested by this Committee, we believe that several billion dollars in savings could be achieved while streamlining and improving service to Canadians. However, this leads to our second message which is that real savings cannot be realized without reducing the size of the public service.