

17. This is not to suggest that government should try to influence or shift trade from major markets to secondary markets but rather a realization of whether government programs can 'make a difference'.

18. A case can be made for including programs with comparatively low rates of returns for diversification or other objectives. In the government context, political factors can be viewed as playing a particularly important role. An expanded presence in the US market following the FTA to assist Canadian companies to adapt to the competitive challenges of North American competition can be justified on these grounds.

19. Seringhaus and Rosson, *Government Export Promotion*, pp. 35, 86-91

20. See Diddy R. M. Hitchins, *Canadian Trade Promotion Policies in Comparative Perspective* (Anchorage: University of Alaska, November 1991 draft). Her main source of information is a report of the US and Foreign Commercial Service of the International Trade Administration, *Export Promotion Activities of Major Competitor Nations*, September 1988 (although formally unpublished, it is available in the public domain). However, the comparative statistical basis for such studies is open to question. Moreover, the narrow basis used — identified trade development programs in the recognized 'lead' government agency or department — may understate or not include programs in other government departments. These can be significant but apply to most governments (e.g., agricultural subsidies, defence and industrial development subsidies). Despite these caveats, Canadian support programs do not appear overstated by an order of magnitude. For Canada, we have used MCBA estimates of 1987 Departmental expenditures rather than the figures cited in the study. This removes the overstating of the US report yet indicates that overall levels of funding are broadly comparable to our competitors. We have pro-rated provincial expenditures on the basis that the US study overstated them to the same extent as federal expenditures. We have not included estimated expenditures of other government departments.

21. The McKinsey Review of our Australian counterpart, Austrade, is particularly enlightening in this respect. See also Seringhaus and Rosson, *Government Export Promotion*, pp. 166-7. Following the McKinsey review, Austrade closed offices in San Francisco, Chicago, Vancouver, and Miami (latter to be relocated to Brazil or Argentina). Los Angeles becomes Austrade regional HQ for the Americas (*International Business Chronicle*, August 5-18, 1991, Miami).

22. While academic literature on trade development programs and services is limited, the government-wide trend towards focus groups and "client" user studies has resulted in a more objective awareness of how trade development programs and services are perceived outside of the traditional export community. Of particular note are: John A. Chenier and Michael J. Prince, *Aid for Small Business Exporting Firms: The Role of Governments and Information Networks* (Halifax: The Institute for Research on Public Policy, 1990) and Michael Grant, *The Trade*