but do not by themselves "lever" additional R&D in Canada (the net cost of the R&D incentives is approximately $ 2 billion annually). While discretionary programs of "targeted" incentives (e.g., DIPP) may appear less costly, the success of such programs in picking winners and later weaning them off government support remains questionable.

65. This scepticism is perhaps most eloquently stated by one senior trade commissioner:

> *... Trade Tracking System is flimsy basis for policy decisions of any kind ... While there may be a degree of consistency creeping into the TTS reporting in the last year or so, it is difficult not to believe that there is still a great deal of variance between the regions and posts of the world regarding data used in preparing this report {From a Trading Nation to a Nation of Traders}... the more funds a post has the more activity it generates and the more the TTS numbers go up... the time and effort involved in collecting information, in particular business influenced information, may be (an) indication of the level of service a post is able to offer business clients which in turn is a reflection, not only of quantity but quality, of the resources posts have at their disposal. Need not go into the degree of fudging inherent in these unaudited reports ... Suffice it to say that the program manager is reluctant to be seen to be doing any less than the person who came before, let alone the year before.*

We nevertheless maintain that the tracking system is as valid as any other available measure over time to measure workloads across regions. It is unlikely that the degree of informal estimation or inflation should vary significantly over the five-year period of time used in our analysis. However, given resource applications, greater quality control is necessary to preserve the integrity of the system. As suggested in the same telex, technology should allow this to be done largely automatically.

66. The Japan trade program has moved in this direction, given that the Embassy display facilities provide lower cost alternatives. Yet a recent review of traditional national stand participation in Foodex resulted in a decision to reduce participation to an information booth with interested companies encouraged to co-locate. While a number of participants may be obtaining PEMD support, the end result, forced by financial constraints, was a net cost of approximately $ 100,000 and not $ 7-800,000 as previously.

67. The Minister for International Trade-led mission to China in April 1992 is a case in point. Virtually all participants were established exporters and medium-to-large sized companies that benefitted highly from the visibility and profile provided by the Minister. Financial support was unnecessary and the participation fee likely cost the government more to collect and process than the $ 500 remitted to the consolidated revenue fund.