

of trade offices in the United States. We currently have 22 offices in almost every major metropolitan centre of the United States. In the next several months we'll be opening another 5 trade offices in Miami, San Juan, San Diego, Denver, Colorado, and Princeton, New Jersey. We consider these offices, the 22 plus these additional 5, to be our frontline troops in the pursuit of trade development and investment promotion. We consider them your troops, of course, as well.

We've also in 1989 significantly increased the trade promotion funding that will be directed at cracking the U.S. market. It will provide over some \$20 million in the 1989 fiscal year. It will be devoted to traditional and new ways of assisting Canadian business with emphasis on small and medium-sized businesses in the U.S. market. We will have a major fairs and missions program. We have found this to be a successful way for would-be exporters, for people who are already in the exporting business, to make contact with U.S. purchasers. It is a direct trade promotion program. It is our expectation that in 1989 we will have over 10,000 Canadian exporters participating in these direct events. We're also engaged in a series of incoming missions of buyers in the United States in the merchandising, the retail, and food products field and government procurement in defense, construction, contractors, and urban transit.

We also commenced a program a couple of years ago that is being expanded called the NEBS program, the New Exporter Border States Program, which takes people who have never exported to the United States for a hands-on seminar approach. They meet with customs brokers, the Consulate General, the Trade Commissioners, and get some very practical advice on how to export into the United States. We do expect in the current year that we will have over 2,000 participants in that program. We've also extended that program for people who are already exporting into the United States with another program that takes people through another layer, not just to the border states. We will be having missions that will be of particular interest from British Columbia into San Diego and Denver, Colorado as these missions get themselves up and rolling.

Some of you may have participated in technical seminars that have been held across the country. There have been three series of these. The first dealt with tariff changes and customs issues. We held twelve seminars with 2,200 participants in January. There will be, in response to demand, another series of seminars on the same subject. We've also held a seminars on U.S. government procurement opportunities. It's a market that is largely untapped by Canada and has tremendous possibilities. This month we already have under way a series on export financing and insurance for the U.S. market. It's not an issue that often comes to mind but we have found that there are far more difficulties in terms of financing and insurance even with the U.S. market in which many people make the mistake of thinking are similar to our own.

Finally, we are very much involved in investment development and promotion activity to bring U.S. investment into Canada. It's a complement to our trade development and to our technology inflow programs. The U.S. is our largest, most diversified source of investment and we think with the opportunities of the Free Trade Agreement that it should expand.

At the end of the day, however, the challenge is up to the private sector to take advantage of the market opportunities. Government can provide the framework. We've done that, I think, with the FTA. We can intervene on trade policy disputes and can address irritants. We can provide assistance through the trade commissioners and programs I have outlined. None of this, however, makes things happen without a confident and aggressive business community that is looking outward, that is planning carefully, that is looking for a particular niche in the U.S. market. The challenge is up to the Canadian private sector. I am confident that the private sector has taken up the challenge and is going to take advantage of the Free Trade Agreement.

I was intrigued by an article yesterday, an editorial article in the Financial Post, that commented on small business staying upbeat. If I may just quote very briefly from it, it said, "How often do we hear about the overwhelming power and influence of the United States right next door with the economies of scale that go with the market of its size. Then there's Japan whose success has created an aura of invincibility and the emerging countries of Asia. How can we compete with them?"

There are obviously, according to the Financial Post, plenty of small businesses that haven't got the message that it's too tough to venture forth. Insofar as the U.S. is concerned, 90 percent of the 80,000 members of the Canadian Federation of Independent Business say they support the