

STATEMENT DISCOURS

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NOTES FOR AN ADDRESS BY THE
HONOURABLE JAMES KELLEHER,
MINISTER FOR INTERNATIONAL
TRADE, AT THE SASKATOON
EXPORT TRADE CONFERENCE

SASKATOON
OCTOBER 10, 1984.

It is a pleasure to be in Saskatoon to attend this trade seminar. It is an excellent example of how federal and provincial governments can work with industry to seek new markets and expand our exports.

This seminar is only one of over 250 events to be held during October as part of Canada Export Trade Month. Last week I attended a major international trade fair in Washington and opened a new trade information center in Ottawa. This centre, called Info Export, is a major initiative of Export Trade Month. It is located in the Department of External Affairs and has a toll free line enabling exporters to gain quick access to the trade professionals who can assist them with market information and intelligence.

Export Trade Month is a series of events like these designed to increase "export awareness". The objectives of Export Trade Month are twofold. The first is to increase public understanding of the central role played by export trade in our national economy. Second, to create among small- and medium-sized businesses an export "state-of-mind" to stimulate new export initiatives by Canadian business.

The message to business is simple - overseas markets offer both unparalleled opportunity and challenges. The opportunities are nearly unlimited, though they demand initiative, imagination and determination. The foremost challenge is to produce and supply quality goods at competitive prices. The pressing need to improve our international competitiveness is a major theme of Canada Export Trade Month.

Another and very important message is that a wide range of guidance and support mechanisms exist on a year-round basis to aid the entrepreneur who is prepared to expand existing lines of trade, or to open new ones.

I would like to take this opportunity to say a word about the support programs offered to exporters by the federal Government. One of the largest and most active, as measured by funding assistance, is the Program for Export Market Development, called PEMD for short.

Over the years, it has provided over one hundred dollars in assistance to fund more than 23,000 projects. To date these projects have resulted in almost \$4.5 billion in reported export sales. That's a good cost-benefit position. I'd like to improve it.

The program has been, and continues to be, responsive to the needs of canadian exporters. However, it can only remain so if it changes with the times. Much of this evolution can only take place at the instigation of, and in the direction set by, industry and business. Indeed, we have received some signals which tell us that the exporting community thinks PEMD is due for adjustment.

One of the adjustments being considered is an increase in the number of market identification trips which a company will be able to make to a particular market area with PEMD assistance each year.

This would be significant from two points of view. First, it would allow firms to follow their initial market identification trip with another, to establish representation and confirm or amend their initial findings. Second, it would give firms more flexibility in planning their export marketing activities and more time "on site" to execute them.

We have become increasingly aware of the connection between design and manufacturing technology, and success in export markets. PEMD has a provision to support industrial cooperation that assists in the sale of Canadian expertise and technology. Unfortunately, it has not been used to assist canadian firms in identifying foreign-sourced technology which could be exploited to strengthen our competitive position. It is my intention to examine this area carefully. Perhaps we can use PEMD to greater advantage in this connection, as a means of enhancing canadian productivity and export competitiveness.

Regardless of how we proceed, I can assure you that you that this government is listening to the business community. Those actions which the business community may reasonably require of government will be taken. More broadly, we are determined to enhance and improve the capacity of business to put Canadians back to work, for this is what will restore our economic balance and well-being.

As the Prime Minister recently said "the first task of the new Government is economic renewal - to expand trade, to attract new investment and to seek out new markets. By establishing a climate for vigorous economic growth, we wish to create the new jobs our people need and deserve."

Today, I want to talk about a key element in our plan for economic growth - the vital link between technology and trade.

When one talks of technology these days, the average person usually thinks of producing computers, satellites and the like.

Yes, the production of such high technology is important, and we have some outstanding Canadian success stories.

But even more important is how we use technology - to produce attractive goods and services at the price and quality levels demanded by the marketplace.

That was the message I carried on behalf of the Prime Minister when I recently spoke at the Annual Meeting of the Canadian Chamber of Commerce.

In that speech, I outlined the five assumptions which will underpin the technology and training policies, of the new government, and I thought it would be useful to repeat them here today.

First, it is clear that lower interest rates, a stronger capital base, and market access are essential prerequisites to increased R&D expenditure by the private sector. Nobody is going to invest in R&D if they can't afford it.

Second, the small size of our country means we must not only encourage the production of canadian technology, but the adaptation of foreign-sourced technology. We must then encourage the diffusion of this technology and know-how across the country -- on the farm, in the factory and in the office.

Third, we believe the essence of the so-called "information revolution" is the application of new technology in existing industries - in manufacturing, agriculture, mining, forestry and so on.

Fourth, we believe tax reform is also necessary to redirect investment to this vital job-creating activity. Tax changes will reflect our belief that incentives should replace grants, that the definition of "development" should be broadened and that tax laws must better reflect the idea that research and development is an integral part of the production process, not a separate activity; and

Fifth, hand-in-hand with policies to encourage the production, application and diffusion of new technologies must be policies to train canadians in their use.

And we believe the recommendations of our two caucus task forces on retraining and youth unemployment are an excellent start.

They are innovative, forward looking and cost-effective.

They will train people to fill the new jobs being spawned by complex and changing technologies and trade patterns.

The use of technology is a key to improved international competitiveness. But we won't produce that technology without cooperation.

The experience here in Saskatchewan is a fine example of government, universities and industry working together to develop the expertise needed in the international marketplace. Work being done here on fibre optics, satellite equipment, new farm techniques, biotechnology and process controls make this province the site of some of the most interesting new initiatives in technological innovation in Canada.

I want to ensure that the federal government supports such initiatives. In my Department, changes will be made to bring together our science and technology divisions and give them a clear mandate to assist export marketing efforts by industry. But we will also seek to improve the transfer of technology inflow by targeting those sectors in which we have not or cannot develop Canadian solutions. Our science counsellors abroad will work closely with our Trade Commissioners in the interests of Canadian business.

There is a very broad consensus in Canada that we must commit ourselves fully to the expansion and diversification of export trade. Our challenge now is to extend this commitment to the technology trade area, and to the maintenance of Canadian excellence in this field.

This is one of my first speeches to exporters since becoming Minister, and my first speech in western Canada. I want to make it clear how our new government will approach federal-provincial relations in the trade area and how I see international trade as a cooperative venture.

Export Trade Month involves both levels of government, as well as labour and the private sector. I would like this attitude - this policy of working together for common goals - to be a priority, not just in this Special Month, but throughout the year. And I'm starting today. This afternoon, I will meet with Eric Berntson in Regina and on Friday I will meet with the Minister responsible for trade in the Manitoba government. I intend to be open to provincial ideas just as I wish to listen to the concerns and suggestions of industry and labour.

I would hope that in trade development and trade promotion our activities will be complementary - not overlapping. No doubt there will be differing views. But we share a common objective - to enhance the capability of our exporters and increase the level of our export trade. And I am confident that if we work together, we will succeed.