

STATEMENT DISCOURS

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NOTES FOR A SPEECH BY
THE HONOURABLE JAMES KELLEHER,
MINISTER FOR INTERNATIONAL TRADE,
TO A LUNCHEON FOR MARKETPLACE '85
PARTICIPANTS

SAULT STE. MARIE
MARCH 11, 1985

Ladies and Gentlemen:

I'm delighted you could all be here today for the Sault Sainte Marie edition of Marketplace '85. As Minister for International Trade, I must tell you how happy I am that we have such a large and distinguished turnout today. As the Soo's Member of Parliament, all I can say is that it couldn't have happened in a better place!

Actually, I have an interim report on the progress of Marketplace '85, and I can tell you that it has been going like a fish through water -- swimmingly. Our Trade Commissioners have already conducted more than 3,000 interviews -- in Halifax, Montreal and Western Canada -- and one-quarter of them have been with firms that have never exported before. Since our exports bring us income we would not otherwise have, and create jobs for Canadians, the fact that Marketplace '85 is catching on should be very good news for us all.

Here in Northern Ontario, as in our other stops, as well, the turnout of business people has been larger than we had expected. As a result, we have expanded our schedule, to start our one-on-one interviews this morning, instead of after lunch. So that some of you have already been exposed to one or more of the Trade Commissioners who are the real stars of this show.

Since there are 18 Trade Commissioners here today, I can't introduce them all individually. But I can tell you that they have come in from a great many places in the world -- alphabetically, from Abu Dhabi to Zaire, and including countries in the Pacific Rim, South America, Eastern Europe, Western Europe and five major American trade centres. Not to mention Ottawa.

In other words, we've got the world covered for you, right here.

I would like to introduce one of our stars to those of you who don't know him already. He's Clive Carruthers, and he's from the Soo.

Clive has been a Trade Commissioner for 22 years and change. He's been stationed in the South Pacific, Europe, and Central America, and is now on his second posting in the United States. He is Canadian Consul and Trade Commissioner in Detroit.

(ASK HIM TO STAND?)

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Now that you know who he is, I'll tell you something else about Clive. We didn't invite him here. As soon as he heard about Marketplace '85, he called us up and demanded to come here. Well, what could we say? Well done, Clive.

As a Trade Commissioner, Clive is a member of one of Canada's oldest and certainly most productive services. The Trade Commissioner Service has been in operation since 1894, through wars and revolutions, booms and recessions, and through wind after wind of change. It is in many ways a unique service, because it can do so many things for you.

Let me put it in context for you.

First of all, I think you know that the economic priority of this government is job creation, and -- since trade already provides one-third of all the jobs in Canada -- the best way we see of creating jobs is to beef up our exports. So every Canadian embassy and every Canadian consulate has become trade-oriented. The first priority of every Canadian foreign service officer, from ambassador to third secretary, is to promote trade.

This is not in the abstract. The help they give our exporters is very specific and concrete, and I think it might be helpful to you to know what you can expect. These officers are your front lines for trade. Their job is to work for Canada's exporters and they are very good at it.

The Trade Commissioners' first task is to serve as intermediary between the Canadian exporter and the foreign importer. They put the two parties together, and when the Canadian and foreign firms start talking, the Trade Commissioners keep a close watch on the situation, helping to put the deal back on track if something goes wrong. They will arrange for finding an import agent. They can get you a distributor. They can even find you a potential buyer.

The Trade Commissioners ensure that the trading environment is conducive to good business. Just as the owner of the corner store makes it his business to go out and make friends with his neighbours, the Trade Commissioners make it their business to develop good relations with governments, with large corporations, with buyers, importers and agents. The object, of course, is to get foreign buyers to think of Canada when looking for a source of supply, but there is a secondary object, as well: to prepare the ground in the event that a problem crops up.

Problems do occur. It may be that a custom evaluation is felt to be unfair. It may be that import permits are difficult to obtain. It may be that a Canadian product received is not the one ordered, or has been damaged in transit. Or more often, it may be that the Canadian exporter wants to know the credit rating of a foreign importer who wants short term credit. Trade Commissioners can help you solve all of these situations, and more.

They know how to get credit information. They will advise you on disputes if they arise and in many cases they will negotiate a fair settlement (which is still yours to accept or not). Their strength is in their knowledge of local conditions, local practice and local laws -- and most important, their physical presence in those far flung places, their feelings for the environment and for the contacts they have developed. They represent Canadian interests and therefore will always take the side of the Canadian firm, unless the firm has knowingly done something quite illegal or contrary to good business practices. Trade Commissioners quite naturally lose some motivation in representing bad apples. Companies that knowingly break the law, or cheat their customers, could give all Canadian exporters a bad name.

Trade Commissioners are also the link in commercial and industrial cooperation activities between the Canadian government and foreign governments. As officers responsible for maintaining our access to these markets, they make representations, negotiate the removal of non-tariff barriers, and ensure that the international rules of trade are observed. This link becomes even more essential in the case of centrally controlled economies (including Eastern Europe and many developing countries) where almost everything is imported by the government. These countries prefer to deal on a government-to-government basis, and their interlocutor for Canadian deals is the Trade Commissioner.

Trade Commissioners also do the real marketing job of analysing and evaluating the market, and reporting back to Canada on which imports will be required, together with specifications, design, prices and quantities.

This work is conducted from studies of foreign consumption and production patterns, and also from general expression of interest on the Canadian side, or on behalf of Canadian firms asking for specific information on the potential for Canadian products and services.

Aside from all of this, the Trade Commissioners have taken on two new tasks. One is to seek out and promote new foreign investment in Canada. The other is to be on the lookout for foreign technology that might be of benefit to Canada. We all know that the key to competition in industry is the development or access to new technology. It may mean the acquisition of a new machine that increases productivity, or the acquisition of know-how or of a new process. Trade Commissioners in developed countries will spend more and more of their time looking for this technology abroad, but they must know what the demand is in Canada. The governments, federal and provincial, can give them pointers, but it is the business community that can tell them better than anyone else what to look for.

Not all of our Trade Commissioners are stationed abroad. They're not all in remote, exotic outposts like Detroit. Indeed, the Trade Commissioners that may be most important to you, at least in the initial stages of your export process, are right here in Canada. In the capital of every Canadian province is an office of the Department of Regional Industrial Expansion. And in each DRIE office there are full-fledged, practicing Trade Commissioners.

These officials have hands-on experience of trade abroad. Most of them have worked abroad, and they know their colleagues around the world. The fact that they are on assignment with DRIE, that they work in your region and that they are up to date on the various government assistance programs available to entrepreneurs, as well, should give you some idea of how valuable they can be to you. They are as close to you as your telephone, and they can be the vital first step in putting you in touch with the world.

There is one special service I think you should know about. We run, in cooperation with DRIE, a summer student program that can be of direct and immediate use to you. The students in the program are bright and talented. Many of them come from M.B.A. programs or other business-related programs, and I would say that a lot of them will be Trade Commissioners in the future. We pay them, and we give them an intensive four-day training program, but after that we don't see very much of them. They spend their time with exporting firms, helping them with their exports. They do a variety of tasks.

Sometimes they're gophers, sometimes they're go-betweens, and always they're go-getters. They can make a real difference in your export programs, and I know that some

of you here today have used these summer students of ours to great advantage.

Let me sum up. Canada's Trade Commissioners, the 18 who are here today and the hundreds who are not, are your employees. They are on your payroll. They cannot always work miracles, although quite often they can. What they can do is most of your initial market research, open the right doors for you, and help you solve your international problems if you have any. In short, they can de-mystify international trade. If it's done right, selling your products abroad is not much more complicated, nor any more risky, than selling them at home.

I repeat. The Trade Commissioners' job is to work for you. Don't be afraid to ask them for what you require. If you ask too much, they'll let you know, but I think you'll find that their capacity for service is very high. And their work is of excellent quality.

Thank you.