

Current relations between CCC and private trading houses might provide a basis for building a different relationship between them. Indeed, CCC is now seeking to identify more opportunities for sourcing and providing business opportunities to trading houses. It has in the past contracted with them for specialized requirements. It may be possible to build upon and improve this relationship substantially in the context of a strengthened trading house sector as well as the improved incentive environment which the government is now aiming to create. Further work on co-operative efforts might have potential, with CCC and trading houses working more closely, even in areas where a government-to-government deal is required. In those cases, it may be possible to make greater use of procedures currently available to provide government support without government involvement, whereby CCC provides a less direct "seal of approval" on the transaction. Further means to accomplish this should be considered.

A government task force is currently examining Canada's trading house sector. Its report is scheduled to be made public shortly. It is already apparent, however, that trading houses are substantial contributors to exports, particularly exports outside the U.S. The majority of these houses are small, highly specialized and particularly well suited to assisting small and medium-sized exporters.

The report of the task force should be very helpful in answering the question of how much potential there may be for private sector trading houses to expand their activities in this area.

CCC's capital projects activity has not had the success originally anticipated. This may be due to a number of factors, including the effects of the recession in sharply curtailing capital projects worldwide. It may also be due to a lack of a substantial market or a need for government-to-government arrangements in this area. There is a question whether or not the government should become involved with the sometimes large contingent liabilities which arise from such projects.

Another question for consideration is what CCC activities could be taken on by other government departments or agencies. For example, could EDC or the private sector offer some form of contract completion guarantee to permit Canadian companies to negotiate contracts with foreign governments without the assistance of the CCC? Could External Affairs improve its ability to inform the private sector of potential contracts with international financial institutions and assist it in the bid process?