

average level of assistance available to all companies.<sup>4</sup>

Free for service

A fee-for-service structure would automatically serve as a mechanism for rationing the available TCS staff and facilities. One could argue that some mechanism is necessary in view of the inevitably increasing requests for assistance as a result of the factors discussed above. And one could argue that a fee-for-service structure would, in fact, be the best such mechanism. Of course, as an alternative, the TCS could conduct a myriad of cost/benefit analyses to determine which services should be provided. These analyses could be repeated regularly, as circumstances changed. A fee-for-service structure would allow businesses to conduct these evaluations on an everyday, ongoing basis rather than relying upon periodic political decisions. If businesses reached a time when they were not receiving adequate benefit to cover the cost of certain services, then their decision to stop buying these services would translate into an immediate decrease in revenues. A signal would be given automatically that the TCS should curtail the services. Meanwhile, experiments in providing new services in new locales could be readily evaluated. As revenues rose, an experiment could be expanded; if revenues failed to expand, the experiment could be curtailed. No massive compilation of reports would be necessary to ration TCS services or to determine changes in TCS activities.

### CONTINUALLY CHANGING THE TCS ROLE OVER TIME

The types and extent of market failures will likely change over time. It is possible that private sector organizations--like the Chamber of Commerce, the Business Council on National Issues, the Canadian Federation of Independent Business, or the Canadian Council of International Business--may expand their activities to include the kind of linkage assistance discussed above. Private sector corporations may specialize in the provision of certain types of linkage assistance. Recently the private sector Business Cooperation Network (BC Net) has begun to offer such assistance through telecommunication linkages with data bases that describe the activities and needs of businesses around the world. As these changes occur, the role of the TCS in this regard may be diminished.

In recent years, several private sector firms have come to offer detailed analyses of each country's economy. This has reduced the need for "country reports" to be sent to Ottawa from each post. This experience with "country reports" illustrates the way in which government responsibilities can diminish as private sector capabilities expand. With fee-for-service, revenue from any particular activity would fall as alternative private arrangements grew. The market might no longer fail for such an activity, and declining TCS revenue would indicate that the TCS role should be reduced. Here as well, the fee-for-service basis has the advantage that the role would automatically be modified and reduced as private sector alternatives become available.

<sup>4</sup> From a Trading Nation to a Nation of Traders: Towards a Second Century of Canadian Trade Development (Policy Planning Staff Paper no. 92/5, March, 1992), 16.