

multifarious business councils and committees began to dwarf the Chamber's traditional focus on lobbying government through its other divisions.

This situation lasted for a time and was used as a recruitment mechanism to enlarge the Chamber's membership. The Chamber could claim to its broader membership (members of the Chamber were not necessarily members of the individual business councils) that it was leading the charge on international business development. The federal bureaucracy, wishing to have a reliable, high-profile, private sector interlocutor on international business promotion (it already had the ITACs and SAGITs on trade policy issues), found the business council format administered by the Chamber as a convenient way to coordinate and systematize its trade promotion activities with the private sector. And, importantly, the federal bureaucracy could advise those ministers directly responsible to the business community (ie., minister for international trade, junior minister for small business, minister of industry) that the Canadian business community as represented by Canada's most representative business association "in partnership with government" was taking the initiative in promoting exports of goods and services. In practice, the business councils at the Chamber rarely functioned as sources of market intelligence, rather over time they came to perform, albeit with a high level of proficiency, the low value-added trade promotion activities (largely logistics) that DFAIT preferred to contract out.

Using the case study of the Chamber, with its permanent staff hired out to the business councils to work on mostly federal government-financed programs (although it is true that the Chamber did itself directly subsidize some of the business councils), it is not surprising that what had begun in the mid-1980s as a symbiotic relationship between the public and private sectors, had by the late 1980s and early 1990s turned into one in which the private sector association community, with the Chamber as an exemplar, exhibited ever greater signs of dependency on federal funding. The notion of the Canadian private sector creating self-financing international business development programs did not materialize. Indeed, the vast majority of the Chamber's business councils could not survive on a fee-for-service basis.

The combination of an increasingly competitive business association community in Canada (federal officials found themselves increasingly on the receiving end of competing proposals from a number of business associations) and the onset of government belt-tightening in the face of a crippling national debt and deficit, meant that not only were federal officials questioning the utility of the business council format but also that the core funding of the 1980s was no longer available. Not surprisingly, a shake-out occurred in the early 1990s in the private sector trade promotion community and, without federal funding, many of the business councils formerly run by high-profile national associations such as the Chamber, disappeared or were absorbed by other federally-funded associations such as the Asia-Pacific Foundation.

In 1994, the Chamber is running only four of the nine business councils it was running in 1990 and, after a strategic corporate review, has decided to look at other -- non-