

(a) They recognized the value of close co-ordination between the External Affairs and the Trade Commissioner Services.

(b) Owing to exceptional conditions, Canada has been able to develop the most efficient Trade Commissioner Service in the world, and it was feared that there would be no gain and that there might be serious loss if the present standing and identity of this organization as a specialized commercial service were impaired.

(c) The economy of Canada depends in a peculiar degree upon export trade, and it was feared that the export community would look with disfavour on any move which might be regarded as likely to weaken rather than to strengthen Government aid in the promotion of export trade.

(d) The proposals for co-ordination and co-operation between the services could provide the framework for continuous study of ways and means of securing more effective co-ordination of the two services by officials who would have the best opportunity to detect weaknesses in existing methods of operation and the strongest incentive to correct them.

V. The Committee was able to reach the conclusion that, in view of the opinions of the members referred to in the preceding paragraph, the only practicable course would be to recommend measures based upon the second proposal. There was general agreement that such a proposal would bring about substantial improvement in the co-ordination of the activities of the two services and in the promotion of co-operation between them. It was also recognized that such a course would not preclude the adoption of measures based upon the first proposal if, after a period of experiment it was possible to reach general agreement that such a course would be desirable.

VI. The Committee therefore recommends that the following proposals for co-ordination of the activities of the External Affairs and Trade Commissioner Services, and in the promotion of co-operation between these services in all matters relating to Canadian representation abroad and related problems of home administration, be put into effect forthwith.

PROPOSED FRAMEWORK OF CO-ORDINATION

1. METHOD OF OPERATION:

In order to attain the maximum degree of efficiency and also to regularize the ad hoc arrangements of past years, the External Affairs Service and the Commercial Intelligence Service should be co-ordinated, and the whole considered the External Service of Canada.

The two existing Services should continue to operate under present departmental auspices with the functions of each maintained as heretofore, that is, the External Affairs Service being responsible for diplomatic and political work and the Commercial Intelligence Service for commercial and allied work and both services being responsible, as heretofore, for general economic work within their respective fields.

2. COMMITTEE FOR ADMINISTRATIVE CO-OPERATION:

The co-ordination of the two Services in Ottawa would be effected by a standing Personnel and Administration Committee appointed to consider such ques-