

businesses, rather than working for a restricted membership. With a market failure that relates to the establishment of linkages among domestic and foreign firms, the TCS is the only organization in a position to facilitate all such potential linkages. Consequently, it is crucial that the TCS structure its activities so as to best fulfil this role.

It is appropriate to evaluate the structure of Canada's TCS from this perspective. In the past, communications have largely been uni-directional, consisting either of requests from Ottawa or reports to Ottawa. For the coming years, consideration should now be given to the establishment of organizational and communications "grids". The new kinds of relationships described above will often involve firms in many countries; they will be continually changing; and they will involve the exploration of potential business associates throughout the world. The organizational and communications grids could include Canadian provincial governments as well as foreign postings. They might include Canadian private sector organizations. They might also include foreign government agencies and private sector organizations in other countries. It is likely that the creation of new "grids" will replace the traditional "hub-and-spoke" relationships that placed Ottawa at the centre of TCS activities. The need for rapid and direct communications will likely result in the circumvention of the Ottawa "hub," and this will require new reporting structures and practices. Like many firms in the private sector in the 1980s and 1990s, the TCS will likely face a decentralization of responsibility and a downsizing of middle-management. How can the structural reorganization of the TCS be undertaken most effectively?

FEE-FOR-SERVICE

Where can the line be drawn between private sector intermediation and the role of Canada's TCS? International business consulting firms will inevitably regard the TCS as unfair competition, particularly since the latter need not charge a fee for its services and need not operate at a profit. This perspective raises the question whether in fact the TCS should operate on a fee-for-service basis. To the degree that the above discussion is accurate and Canadian businesses will find it profitable to establish new international linkages, the TCS will be providing a financially valuable service. Operation on a fee-for-service basis would provide the TCS with market signals concerning the appropriate nature and extent of its business assistance.

Universal access to government trade development programs and services, in effect as a public or common consumption good, can result in excessive use. Just as increased road or air traffic may result in increased travel time and greater risk of accidents, increased use of trade development resources may result in poorer quality of service as more and more companies require market intelligence and related services. The request by an individual company for assistance may reduce the