

up in the phrase 'has Canada made a difference' rather than 'does this serve Canadian interests'. While bureaucratization is a problem, the real issue is how can the Department become more focussed on the competitiveness linkages of trade policy and trade development with the economy. The Department's interest in broader foreign policy issues, admittedly encouraged by its political masters, may detract from the pursuit of Canadian economic interests.

The identity and the leadership role of the Trade Commissioner Service became diluted within EAITC and within the government as a whole. In response, fifteen other federal departments expanded trade development programs of their own. While these generally complemented EAITC's activities in the field, considerable duplication and turf rivalry resulted.

*For a small country surrounded by larger countries and heavily dependent on trade with one of them, foreign policy should, in major part, be trade relations policy. Of course, other policy issues are also vital to Canadians, but if a small country dissipates its foreign policy bargaining power on issues that concern it primarily as a member of the international community, it might not have the resources, the credibility, or the leverage to protect its trade policy interests.*

Rodney de C. Grey, Former Ambassador to the Tokyo Round of the GATT

The provinces also became more active players. Programs such as trade fairs and missions were expanded. International offices were opened, largely to encourage inward foreign investment and business immigration. Several provinces chose to place personnel in a number of our missions abroad. Federal-provincial consultations on the trade policy and trade development front became institutionalized and joint activities became common.

During this period, the number of companies interested in exploring trade opportunities increased, given departmental exhortation and encouragement and greater general awareness of the trade and economic issues. Parallel developments — explosive growth in air travel, telecommunications and world information flows (e.g., CNN) — has set the stage for broader interest in trade development programs in more and more markets. While contracting out in Ottawa to industry associations and private consultants — trade fairs and missions, seminars, publications among others — allowed trade commissioners to increase their levels of activity, concerns developed over the quality of the services offered.<sup>6</sup>

In contrast to earlier growth periods, the late 1980s were characterized by fiscal constraint. Resource allocation increasingly became a zero-sum game of trade-offs within and among the geographic and functional branches. Bureaucratic inability to set priorities often resulted in across-the-board cuts. Cost-sharing and cost recovery were introduced.