

interests are confusion among clients (i.e. business) and coordination difficulties for those involved. These problems are not helped by the fact that provincial governments are also active in the same field.

Provincial governments have long been involved in trade development, but their efforts have intensified in recent years. All provinces have ministries or departments with a mandate to encourage internationalization, and some have their own overseas posts. Many of these posts have been closed as a result of deteriorating budgets over the last few years. In certain key markets, however, federal and provincial offices are still to be found. To critics, this seems to be a duplication of services, whereas to others, merit is seen in present arrangements. None would dispute, however, that foreign posts are expensive to operate and their location and numbers deserve careful analysis.

2

still true

3

The parallel networks of federal and provincial offices have largely separate electronic links. DFAIT is now directly connected through secure communication lines to the ITCs and many posts abroad. At the present time, companies are excluded from these networks and, therefore, still rely primarily on telephone and fax communications with various government offices.<sup>4</sup> Systems integration and further development is expected to improve this situation in the next year or so.

The extensive involvement of Canadian governments in trade and investment development, and the physical and electronic networks that have been established, produce mixed results. When the elements are synchronized and the "right" contacts are made, the network is a fine resource and of great benefit to Canadian companies. The reverse is also true however.

### PROGRAMS AND RESOURCES

Under the Mulroney governments, DFAIT was successful in arguing the case for increased funding of programs to help companies secure a stronger position in major markets in Europe and Asia/Pacific and, of course, to capitalize on opportunities created first by the Canada-U.S. Free Trade Agreement (FTA) and then the North American Free Trade Agreement (NAFTA). Markets with future rather than immediate potential were also targeted. Most notable is the Renaissance Eastern Europe Program, funded to both assist countries with the transformation to free market economies and Canadian companies with the development of relationships and business. Funding increases under these programs—and other factors—has drawn new companies into the field of international business. Ironically, however, the resulting demand has been difficult to service properly since funding increases were not matched at the personnel level.<sup>5</sup>

4

3

which was supposed since 1974?

<sup>4</sup> The fax machine has had a major impact on posts (see below).

<sup>5</sup> At foreign posts, for example, the number of Canadian-based trade commissioners (TCs) fell from 240 in 1985 to 216 in 1994, or 10%.