

was excluded. But the Task Force itself was not in a position to contact all groups, firms or individuals and hence recognizes that some sources and ideas were undoubtedly missed. Groups contacted may not have been able to make known their views to the Task Force in time to have them taken into account in this report. Moreover, even those groups which did make an input, may not have had enough time or data to offer definitive views. The Task Force takes comfort from the fact that this report is not - indeed could not be - the last word on this subject. It should be underlined, as it was in all contacts made by the Task Force, that this report is not the end of the road, and indeed is really little more than a beginning. Views from business and others will be needed and welcomed for many years to come on the whole complex of services issues. It is quite clear that the full range and depth of Canadian interests have yet to be defined.

As for relations with business, this is clearly a key to proper understanding of Canadian economic interests in trade in services. For a number of reasons, however, the response from business has been uneven. Business representatives almost invariably welcomed the existence of the Task Force and its invitation to provide comments. Many did so. But some understandably were puzzled by the lack of specificity to date on the issues to be negotiated. As Canadian business has more time to reflect on the subject of international trade in services and as that subject is pursued more actively among governments, the need for a more structured dialogue between government and business will have to be addressed, recognizing that the task of each association or firm is to speak as effectively as possible for those it represents.

3. Outline of the Report

In light of the foregoing, the Task Force has prepared a Report in the seven chapters outlined below. Chapter B, on The Services Economy, by way of definition looks at some characteristics of services. It then discusses the difference between trade in services (where the service is transferred from the home country) and "trade" by way of investment or establishment in a host country. The former is what the Task Force was set up to study, but the latter also emerged as a matter of considerable importance and is considered in the Report. The relationship of goods and services is then examined and four categories of relationships are posited. There are major problems in regard to the data on services trade and the next part of Chapter B looks at some of these. The last part of this chapter makes a number of observations on services in the economy, including such elements as proportion of GNP, employment, productivity and other factors.

Chapter C examines Canada's Trade In Services. Canada's international services account includes a number of items other than "tradeable" services - notably income from investment. There are also other difficulties with the current account figures of the balance of