

But trade has nevertheless changed radically from the mercantilist concepts of industrial nations importing raw materials and exporting manufactured goods. (Canada, incidentally as historically a net taker of foreign investment, does the opposite, exporting wheat, sulphur, potash, coal and forest products to markets like Brazil and Mexico and importing automotive, telecom and information technology products from them. In the case of Mexico, Canada's imports mainly automotive products, have increased about ten fold to US\$6.5 billion since NAFTA was formed.

Historically trade has consisted of selling surpluses of raw materials, and goods manufactured for export on the back of a domestic market. But this definition neglects the underlying purpose of trade, which is to create wealth derived from external sources. This wider definition adds a whole range of **services**, in addition to **goods**, to the equation. It also points the way to the future.

For many years, countries, where the numbers are significant, have included so-called "invisible exports", in their trade and current account figures, such as in the UK with the immense earnings in the City of London from financial and insurance services, and elsewhere including tourism where this is of strategic importance in countries like Spain, Mexico and the Caribbean. However, today in some countries including Canada, the fastest growing "invisible export" of all, is probably educational services. It also offers virtually limitless prospects for growth, and is in huge demand.

Why? As capital was the key to productive capacity in the past, today technology is, if the product is to be competitive in the global village that we have created for ourselves. There's a good reason for this: countries are no longer able to protect and control their domestic markets as they used to, (because they will be denied vital foreign investment if they try). So today, if you want to make a product, it has to be competitive globally in design, quality and price not only to be exportable, as was always the case, but to be domestically saleable as well. This is new, and is creating a massive need for technology transfer to the developing world, and thus for education and training abroad in the countries that have the technology. It is no coincidence that one of the largest delegations on the recent Team Canada Mission to Latin America was from Canadian academia – heads of Canadian universities and training colleges – recruiting foreign students to study here. The fairs the Canadian Education Centres hold abroad for this purpose are attended by thousands of students – in the case of one recent example in India, tens of thousands. These students recognize the huge market in their countries for people with such foreign training, and that it will be many years before their own countries can provide such facilities in sufficient numbers. Education therefore, will become a much more significant factor in the current account equations for the G7 countries, especially those where it is provided in English, the language of