

A. BACKGROUND

1. Origins of the Task Force

The Task Force on Trade in Services was set up in the fall of 1981 and asked to report by early summer 1982 on Canada's interests in regard to prospective multilateral negotiations on trade in services.

This development was the direct or indirect result of several currents. Internationally, there was growing discussion - in both the Organization for Economic Cooperation and Development (OECD) and the General Agreement on Tariffs and Trade (GATT) - of bringing trade in services under some kind of effective multilateral discipline. The United States in particular was urging its trading partners to tackle "impediments" to the circulation of services and this policy thrust was intensified under the Reagan administration which came to office in early 1981. Within Canada there had been, as elsewhere, relatively little work done on services as a whole, although interest was increasing as services' share of the economy swelled to some 65% by 1980. Several provinces had indicated to federal officials their interest in seeing the subject explored. The government recognized that the gaps in our knowledge were so great as to render policy-making difficult and hazardous. They therefore moved to set up under the wing of the International Trade Component of the then Department of Industry, Trade and Commerce, a small interdepartmental task force of federal officials to study and report at an early date.

2. Organization of Work of the Task Force

(i) Study Topics

The principal focus of the Task Force was on international trade in services. The topics for study were selected accordingly. Given the paucity of Canadian work to date, the selection was made rather arbitrarily, albeit in the light of studies underway in the OECD, lists of topics prepared by the United States and a stab at likely items of interest or concern to Canada. The initial list was amended and amplified but remained open-ended till the report was finalised. The main "vertical" items were engineering/ construction and related consulting services; telecommunications and computer services; transport; banking and other financial services, including insurance; and cultural services. "Horizontally", particular attention was paid to investment issues, government procurement, export assistance, as well as taxation and immigration.

Papers were commissioned specially on a services overview, on statistical availability and comparability, on the GATT in relation to services, and on the economic effects of a suppositious rapid and sustained growth in services exports. Several provinces submitted