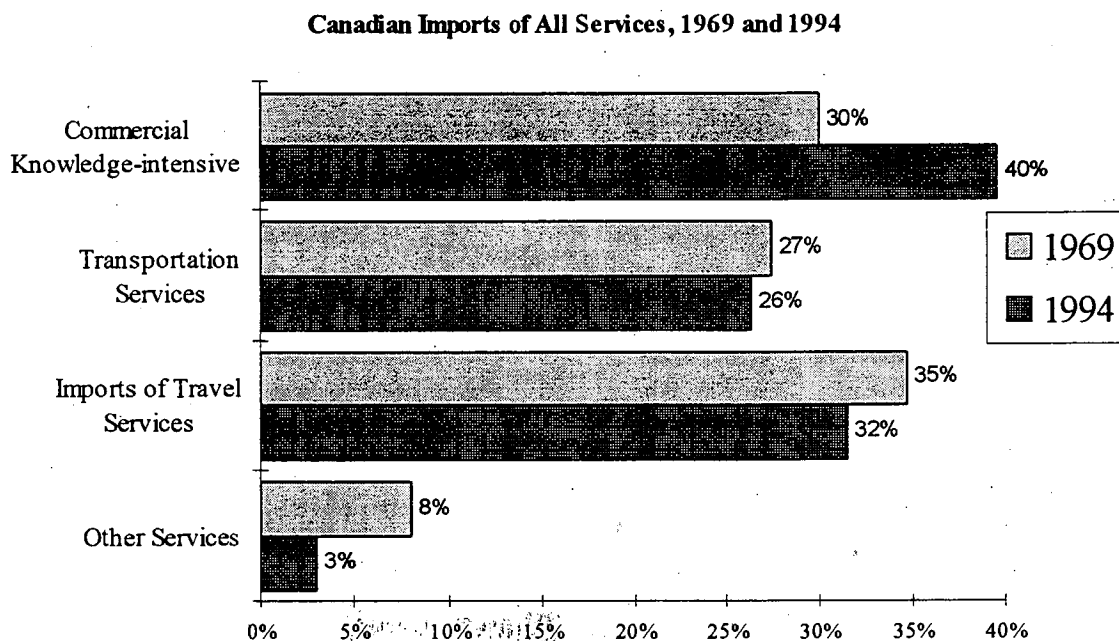


The share of commercial services in Canada's total export of services has expanded from 20% in 1969 to 37% in 1994. Likewise, the growth in imports of commercial services from 1969 to 1994 provides interesting insights. The increased purchases abroad of knowledge-intensive commercial services actually reflect the fact that Canadian workers and business have improved their ability to move into high-tech activities over this period.



The following table contrasts the “myths” with the “reality” which emerges from an analysis of recent trends in Canada's foreign trade:

Myth	Reality
Natural resources make up the bulk of Canadian exports.	Primary products accounted for only 18% of Canadian exports in 1995.
Tearing down tariff walls would force Canada to revert to a resource-based economy—where Canada traditionally has an export advantage.	The elimination of trade distortions has led to an expansion in Canada's inter-industry as well as intra-industry trade. As a result, the share of non-resource products in Canadian exports has steadily increased, contrary to gloom-and-doom predictions.