

G. REFLECTIONS

The following emerge inter alia from the work of the Task Force.

1. Canada has a major interest in the service sector and both strengths and weak points in services trade. These affect what happens to many regions of Canada. The intensification of international discussions which look to negotiations on services and related investment issues would seem to call for a knowledgeable and reasonably active Canadian presence in order to defend and promote our interests, policies and programmes.
2. Internationally, it seems clear the subject of trade in services will continue to gather steam and is likely to take its place in multilateral discussions and perhaps negotiations. This process will probably (and should) evolve over a number of years, which would allow Canada time to work out more specifically whether it is in its interest to negotiate and, if so, formulate its negotiating goals and tactics, and develop a long term strategy designed both to cushion within Canada as appropriate the effects of negotiations and to take advantage of expanded access abroad. The process will at the same time require some degree of current and ongoing involvement and attention. The following factors will influence this involvement.
3. Significant problems arise from the lack of data and from conceptual and classification uncertainties and gaps regarding services and services trade. It would seem desirable to intensify our work in these areas within Canada and to encourage a collaborative effort internationally, e.g. in the OECD. Canada could make some contribution to such an international effort, drawing on work done for the Task Force.
4. There is no effective overall instrument providing a fabric of discipline on services trade, although quite a number of existing multilateral and bilateral agreements bear on services. This gap could work against a number of specific Canadian trade interests. Accordingly, it would seem valuable to explore multilaterally - initially without commitment - the kinds of principles and understandings that might be made applicable to services. These include such notions as comparative advantage in services trade, dispute settlement, most favoured nation treatment. Work done for the Task Force could serve as a contribution to this exploration.
5. The most fruitful course could lie in encouraging discussion of "traded" services, i.e. questions of access to markets across frontiers, rather than establishment and investment issues. In any event, we would no doubt need to bring out the fact that the notion of national treatment does not readily translate from goods trade to services trade. Many countries would suffer if it were