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SURTAX ON IMPORTS OF CERTAIN SPECIALTY STEEL PRODUCTS IMPORTED FROM THE UNITED STATES

The Honourable Gerald Regan, Minister for International Trade, announced today that effective January 1, a surtax is being applied to imports of certain specialty steel products imported from the United States. The Minister indicated that this step is being taken pending action by the USA Government to provide compensation to Canada for measures taken last July to restrict imports of specialty steel. The surtax, which takes the form of increased duties ranging up to 7.7%, will be applied to imports of certain USA origin specialty steel valued at an average \$15.2 million between 1980 and 1982.

Mr. Regan pointed out that an orderly marketing arrangement negotiated last October with the United States Government will go some distance towards mitigating the adverse effects of USA quotas on Canadian producers of alloy tool steel and stainless steel bar. However, the supplementary tariffs being applied by the United States to imports from Canada of flat rolled stainless steel products are affecting access to the USA market of Canadian exports valued at an average \$10.4 million during the period 1980-82.

Mr. Regan, noting that the Canadian action is fully consistent with Canada's rights under Article XIX of the GATT, indicated that "the action which I am announcing today provides convincing evidence of the Government's determination, as set out in my statement on Canadian trade policy last August, to exercise vigorously Canada's rights under international trade agreements so as to safeguard access to export markets".