

important, reductions in trade barriers negotiated in the Kennedy Round were those on manufactured products. This is the sector which has the largest scope for export expansion, and it is, not coincidentally, a labour-intensive sector, relative to large areas of our resource industries. The increased specialization and restructuring of Canadian industry which will be necessary to take advantage of this improved access for manufactured products can be assisted by the Adjustment Assistance Programme announced by the Prime Minister at the end of the year.

The tariff agreements in the Kennedy Round provide for the staging of the tariff reductions. Mr. Sharp has already dealt with staging from the Canadian side. The United States, Switzerland, Austria and Australia began on January 1 this year by making a cut of one-fifth of the total reduction on each item, to be followed on January 1 of each of the four succeeding years to complete the process on January 1, 1972. Other major participants, such as the EEC, Japan, Britain, and other EFTA countries, are to make a two-fifths cut on July 1 this year and make three further one-fifth cuts on January 1, 1970, 1971 and 1972. In some instances where tariffs were already low, the United States will be making its total reduction in less than five stages.

We were very conscious of the need to bring the results of the Kennedy Round fully to the attention of the Canadian business community as quickly as possible after the agreements were signed. The most valuable element of our programme in this regard was the series of Kennedy Round seminars which were held across the country this autumn, in co-operation with provincial governments and other federal departments and which were attended by some 3,000 businessmen.

In the Department of Trade and Commerce, we have been planning and reorganizing to give the maximum support to the Canadian business community in its efforts to take full advantage of the Kennedy Round results. Some of the more important changes are:

- (1) As of January 1, the department has been reorganized and streamlined to provide for two major functional groups. All services, whether in Canada or abroad, which have a promotional function are now concentrated under a single Assistant Deputy Minister (Trade Promotion), while all services having to do with intergovernmental negotiations and arrangements bearing on the protection and creation of access for our goods in foreign markets will be concentrated under the other Assistant Deputy Minister (Trade Policy). These changes will provide a more homogeneous grouping of functions, designed to make of Trade and Commerce an even more efficient, forward-looking agency of government, serving our export needs and so the prosperity and growth of Canada.

- (2) During 1967 we have had a number of most valuable discussions with the Export Advisory Council, which I established at the beginning of 1967. The experience