

- the expansion of the scope of the successful Program for Export Market Development (PEMD) to enhance the overseas activities of service industries and private trading companies;
- the provision of encouragement and assistance to Canadian subsidiaries of multinational corporations pursuing world product mandates through direct funding;
- the establishment of the Asia Pacific Foundation of Canada to promote Canada as a Pacific Rim Country; and
- an examination of the desirability and feasibility of limited sectoral free trade agreements with the U.S.A. in such areas as petrochemicals, textiles and urban transportation equipment, to expand business opportunities and improve relations with our largest trading partner.

My colleague, the Honourable Gerald Regan, Minister of International Trade, has taken the initiative to establish a Trading House Task Force to assess the Canadian private trading house sector. We are particularly pleased that Mr. Tom Burns, retiring President of the Canadian Export Association, will chair the task force and look forward to the task force's report on ways to strengthen the private trading house sector's capacity to support Canadian exports.

Some of you may be familiar with the recent surtax placed by Canada on certain specialty steel products imported from the United States. This step is being taken pending action by the U.S.A. government to provide compensation to Canada for measures taken last July to restrict imports of specialty steel. The surtax takes the form of increased duties ranging up to 7.7% on imports of certain U.S.A. origin specialty steel.

This surtax demonstrates that Canada is prepared to exercise vigorously her rights under international trade agreements and indicates the government's commitment to a more open and disciplined world trading system.

I would like to comment briefly on my Department. The reorganization of the new Department of External Affairs is complete. You now have in the Department of External Affairs a group of highly qualified trade and economic officials who will complement the