

It is a great pleasure for me to be here with you again. What you began last year was an audacious experiment. Putting labour and management around the same table, for purposes other than contract negotiations, was pretty courageous by itself. And putting them together with government simply defied logic.

Except that it worked. The Canadian Steel Trade Conference is a rip-roaring success. An excellent vehicle for tackling the problems of the steel industry -- and God knows, there are many of those. An ongoing forum for discussion of issues affecting labour and management -- and yes, even Government. And a clear channel station for broadcasting the industry's concerns.

Clear because when you speak through the C.S.T.C., you speak with one voice. And that makes your message unmistakable -- and hard to ignore.

So I offer you my congratulations, my admiration, and my great respect. You have worked miracles here.



As you know, I am not just an interested bystander. I have been closely associated with the Canadian steel industry for most of my working life. First as a hard-hat, trying to pay my way through law school. Then as a lawyer, practicing in a steel town with steel workers.

So I've come to know something about the industry. And, as Minister for International Trade, I've come to know something about the world that the industry must compete in.

It's a world that has become very complicated -- and, because of a chain of very special reasons, very tough for steel.

Steel is not just another industry. For better or worse, it is an industry with sex appeal, a symbol of national manhood. Let's go back a couple of decades. For many third world countries, countries throwing off the colonial yoke, building a steel industry of their own was a national priority.

Not necessarily because they had a crashing need for their own local steel. It had more to do with the fact that a steel mill, with its blast furnaces and tall stacks and molten metal and complicated machinery, was the epitome of the industrialized world. It was something the old countries had, so the new countries had to have one too.



The result is what we have today: a problem in three parts. First, there are too many steel plants in the world. Or, to put it in the terms economists use, there is a serious overcapacity in world steel production. Second, to keep the plants open, some of the countries that created them have taken to dumping their steel in foreign markets or subsidizing its production at home -- or both. And third, because of such practices, most countries have put up barriers at the border to other countries' steel. Access to most world steel markets is effectively inhibited by a variety of what I suppose could be called the tricks of trade: orderly marketing arrangements, voluntary restraint agreements, import quotas and administrative monkey wrenches.