

Pipes and tubes provide a market particularly promising for the Canadian steel industry. The promise seems greatest for pipe of the large-diameter variety, primarily for the pipeline construction required by oil and natural-gas discoveries in the Canadian North. Stelco's 140" plate-mill has a limited capacity for making steel wide enough for 42" diameter, a facility that has only recently come on stream. The progress of spiral-weld technology and the application of this technology to wide-diameter pipe is being pursued by Stelco as well as by pipe-producing companies such as Canadian Phoenix and Portable Pipe Mills. Ipsco is the only Canadian company already involved in the production and sale of spiral-weld pipe.

With the normal increments, in addition to pipeline construction related to new discoveries, growth of 7 per cent to 8 per cent for steel requirements from pipe demand seems reasonable, if not conservative. In all probability this growth will not be smooth, as the unravelling of the major projects is still unclear.

The remaining 45 per cent of demand is accounted for by 13 other end-use categories. Items such as wire and wire products should move with the construction pattern, showing growth of about 5 to 6 per cent annually. It is not unreasonable to expect steel shipments to natural-resource industries to increase at a rate of over 6 per cent. Appliances should be more in line with consumer-durables spending levels, with 5 to 6 percent annual growth-rate a reasonable projection. Containers present a more stable and dependable growth pattern, though increasing competition from aluminum and other products will probably keep the growth in tinplate in the 4 to 5 percent area. Other areas, such as railway vehicles and tracks, and agricultural equipment, will probably show slower and less dependable performance, with a likely growth of 2 to 3 per cent annually.

Some steel-industry observers have remarked that a 6 percent growth-rate for apparent steel consumption is too optimistic because of something they refer to as "market saturation". While this forecast is not more than the Canadian market growth experienced during the late Fifties and Sixties, it far exceeds the comparable American growth-rate of 3.8 per cent a year during the past 15 years. There has been a relatively conservative rate of real economic growth, and this decade is likely to see particularly heavy steel demands originating from the capital-intensive resource and energy industries.

The growth in the market for steel in Canada until about 1980, as well as the opportunities for exports, will continue to be one of the Canadian steel industry's major strengths. There is, however, an important distinction between the Canadian steel market of the future and that of the past in that most rolled-steel products are now manufactured domestically and imports are largely price-competitive. Consequently, to displace or even resist the growth of imports will be a much more difficult task than was the case in the Fifties and early Sixties.