

The Honourable Pat Carney, Minister for International Trade, announced today a program of Government action to assist the Canadian steel industry to maintain their world market position which they have acquired through fair trade, enhanced productivity and state of the art investment measures.

The statement made by Minister Carney in the House is as follows:

"This Government has long recognized the importance of the U.S. market to of all sectors of the Canadian steel industry and has invested considerable effort to ensure that no restrictions are introduced at the border. The program I am announcing today will augment our efforts in pursuing that objective.

As you know, there are continuing pressures in the U.S. to reduce the share of the U.S. steel market held by Canadian suppliers.

The Canadian position on this question is clear. Our steel is fairly traded and trade restrictive measures at the U.S. border are not warranted. We continue to expect the U.S. Administration to do its job and resist pressures from the U.S. industry and Congress to restrict fairly traded Canadian steel.

Before outlining the elements of our program, I wish to emphasize that it represents a response to the problems facing the Canadian steel industry, which extend beyond U.S. pressures to those resulting from conditions affecting world trade in steel in general. Global trade in steel continues to be affected by world-wide overcapacity, declining demand, widespread subsidization in steel-producing countries and restrictive measures against imports in most consuming countries.

The major characteristic of the two-way trade in steel between Canada and the U.S. is its integrated and mutually beneficial nature. Canada is the largest market for U.S. steel exports with imports of steel from the U.S. annually averaging about 8 percent of the Canadian market and over one third of our total steel imports. There are no restrictions on U.S. trade into Canada. For every dollar of their steel exports to the U.S., Canadian primary steel producers import \$1.30 worth of equipment and materials from the U.S. In addition to sharing in the obvious benefits of such a relationship, our industries also share common concerns and problems with respect to the conditions currently prevailing in international trade in steel.