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Cominco unit seeks probe into steel dumping claims

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Union and management representatives from Western Canada Steel Ltd. — owned by Cominco Ltd. — say their company is being hurt by steel dumped from the United States and Mexico, and they are taking this complaint to Ottawa next week.

Western Canada Steel has filed a complaint with Revenue Canada against three companies — Nucor Steel Corp. of Charlotte, N.C.; Salmon Bay Steel Corp. of Seattle and Siderurgica de Guadalajara of Mexico — which have been selling steel in Vancouver.

Western Canada Steel president John Willson said the companies have been selling "at a price that gives them a net revenue less than they would get at home."

Revenue Canada has accepted the complaint, and Western Canada Steel is hoping a Government tribunal will be appointed later this summer to look into the matter. However, Mr. Willson and members of the union, the Canadian Association of Industrial Mechanical and Allied Workers, are going to Ottawa to impress politicians that "Canada should be tough on people doing these things, as tough as the U.S. is."

What makes Western Canada Steel particularly vulnerable to imports is its position on the West Coast, Mr. Willson said. "Once you have the steel already on the high seas it's very cheap to bring it into the docks around Vancouver." He

said many boats unloading steel have already stopped at ports in the United States, and it is an inexpensive hop to Vancouver.

Unfortunately, Western Canada Steel itself cannot take advantage of its coastal location to sell steel abroad. "Although we are on the seaboard and would love to send steel offshore we are unable to," Mr. Willson explained. "We're on the Fraser River and can't find a cheap way of getting the steel to the high seas."

Western Canada Steel has been feeling the financial pinch for the past five years, and while Mr. Willson expects a profitable second quarter it will be the first profit the company has shown since October, 1982.

The company, with sales of \$30-million a year, is a small fry compared with Stelco Ltd. and Dofasco Ltd. But it is the only steel producer in British Columbia.

It makes steel from scrap, putting the scrap through two rolling mills to produce reinforced steel. In the early 1980s, Western Canada Steel upgraded its Vancouver mills, and that has added to its financial problems. The company, which also owns mills in Calgary and Hawaii, is carrying a debt of \$52-million as a consequence of the upgrading.

Vancouver-based Cominco, trying to rationalize its business, has put it on the auction block.

The debt from the upgrading would not have been so onerous, Mr. Willson said, if the steel market had remained buoyant. But the mill in Vancouver is operating at only 50 per cent of capacity.