



communiqué

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CANADIAN RESPONSE TO U.S. LEGISLATION
REQUIRING MARKING OF STEEL PIPE AND TUBE

The Honourable James Kelleher, Minister for International Trade, issued the following statement today:

"The government is very concerned about the potentially harmful effect on our steel exports of legislation recently passed in the United States. Section 207 (2) of the U/S/ Trade and Tariff Act (1984) requires that each piece of imported iron or steel pipe fittings be permanently marked with the country of origin by means of die-stamping or similar methods. This new requirement could result in significant numbers of lost sales, since in many cases Canadian manufacturers will not be able to mark their products in the manner prescribed and still comply with industry or customer specifications. Marking will also entail additional costs, and delays in customs inspection.

In our view the Section 207 (2) requirement constitutes a non-tariff barrier to the American market and is inconsistent with U/S/A/ obligations under GATT. Up to 200 million dollars worth of Canadian exports could be adversely affected.

The government is working closely with the Canadian steel industry to resolve this problem. Our objections have been formally communicated to the U/S/ Administration both before and after passage of the Trade and Tariff Act and again yesterday, November 1, by diplomatic Note to the Departments of State, Treasury, and Commerce and the Office of the United States Trade Representative. Canadian government and industry representatives have met twice with U.S. Customs officials in Washington to press for the narrowest possible coverage and most flexible application of the new law.

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