



Minister for
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EXTENSION OF U.S. RESTRICTIONS ON SPECIALTY STEEL IMPORTS

On July 16, President Reagan announced the extension of the import relief program for stainless and alloy tool steel until September 30, 1989. The current program, which has been in place since July 1983, is in the form of additional tariffs on imports of stainless steel sheet, strip and plate and import quotas on stainless steel bars and wire rod and alloy tool steel bars, wire rods, sheet, strip and plate. In 1986, Canadian exports of these products were valued at approximately \$15 million.

The Government is naturally disappointed with the President's decision to extend special measures of protection for the U.S. specialty steel industry. It considers this action to be unwarranted, particularly in view of the fact that U.S. specialty steel producers have benefitted from such measures for seven out of the last ten years. U.S. producers, therefore, have had more than enough time to adjust to international conditions with respect to these products. It has communicated this view to senior members of the U.S. Administration on a number of occasions over the past month.

Canadian officials remain in close touch with the Canadian specialty steel producers affected by this action in order to seek their advice on ways of ensuring that any adverse impact on their exports to the U.S. is minimized. With this in mind, they expect to have further consultations with U.S. authorities on this action this week.

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