International trade agreements, of which we have had a few lately, are only useful to the extent that people actually use them to develop efficiencies of scale, rationalization, integration and global competitiveness.

We support those goals because demonstrable benefits flow to efficient producers and consumers alike. The Canada-U.S. Free Trade Agreement [FTA], the North American Free Trade Agreement [NAFTA] and the Uruguay Round of the GATT [General Agreement on Tariffs and Trade] — are all helping to create an environment in which companies, countries and citizens can prosper, if individuals such as yourselves put the agreements to work.

With that in mind, you will understand that I am delighted to address this first policy and planning committee meeting of the newly reconstituted American Iron and Steel Institute. I want to congratulate the Institute for its decision to integrate Canadian and Mexican steel producers as full members. I wish you success with your new strategy and orientation. The fact that you are meeting here in Toronto is certainly a promising signal.

Your new organization reflects the growing range of common interests among Canadian, American and Mexican steelmakers. Together you are competing against other materials, developing new markets for steel, and serving customers who are themselves subject to the increasingly stringent demands of global competition.

Let us look, for a moment, at the North American steel industry as a whole.

The United States and Canada are the major foreign markets for each other's steel. Two-way trade exceeds $2.5 billion. Strong growth in that trade, particularly since the advent of the FTA, has generated employment in both our industries.

Although Canadian-Mexican steel trade is still fairly small, the links are getting stronger. Just last week we saw the sale of Canada's Sidbec-Dosco to Mexico's ISPAT.

Trade between the U.S. and Mexico is big and getting bigger. Mexico takes nearly a quarter of all U.S. steel exports, and provides about four per cent of U.S. imports.

All in all, fully two thirds of U.S. steel exports are within North America, as are almost one third of its steel imports. I cite these figures because they underline the fact that this is an integrated, continental market, of benefit to all three NAFTA partners.

This also flows to the upstream and downstream markets. For instance, Canadian steel producers spend $1.20 on supplies in the United States for every dollar of steel they export there. Canadian steel is also an essential input for many U.S.