



# communiqué

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## MINISTER FOR INTERNATIONAL TRADE DISCUSSES STEEL AND COPPER

Francis Fox, Minister for International Trade, released the following statement in Washington today following his meeting with United States Trade Representative, Ambassador William Brock:

"The purpose of my call this afternoon on Ambassador Brock was to underline once again the Canadian Government's strong opposition to any measures at the border which restrict USA imports of Canadian steel and copper. As you know, Ambassador Brock will shortly be making recommendations to the President whether to provide import relief for USA steel and copper producers.

The depth of the Canadian Government's concern on these matters is set out in a letter from Prime Minister Turner to President Reagan which was delivered to the White House yesterday. Prime Minister Turner indicated that he considers the threat of trade restrictive measures affecting Canadian exports to the United States of steel and copper as the most acute issues on the bilateral agenda at this time. The Prime Minister has urged the President, in making his decision, to take into account the improved prospects for US industry as a result of the strong performance of the USA economy and the potentially high costs to both economies of protectionist measures which disrupt the unique and mutually beneficial trade in these products.

I reviewed with Ambassador Brock evidence that Canadian copper and steel producers have been responsible and responsive suppliers to the United States market. There is an important two-way trade in steel. Considerations of economic efficiency

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have resulted in Canadian steel producers sourcing much of their requirements for coal, iron ore and capital equipment in the U.S. The Canadian industry estimates that it purchases goods and services in the U.S.A. valued at \$1.25 for every dollar worth of steel exported to the U.S.A. Steel mills on both sides of the border commonly supply semi-finished products to each other meeting temporary demand surges or shortages as well as longer term demand not sufficient to justify new capacity. Canadian semi-finished steel shipped to U.S. mills for conversion and return to Canada generates additional employment opportunities in the U.S.A.

I reported to Ambassador Brock on my discussions with the Canadian industry on the nature of the two-way trade in steel products and on future prospects. I was able, based on these discussions, to assure Ambassador Brock of our willingness to agree to consultations with respect to any untoward rises in volume of imports of certain steel products with a view to understanding the underlying market forces and agreeing on appropriate remedial action if required.

I believe that I received a sympathetic hearing from Ambassador Brock and that our concern on steel and copper is well understood by the U.S. Administration. We will continue to register our concern if and as developments in Washington warrant."