



News Release

Communiqué

No. 20

January 27, 1993

WILSON EXPRESSES DISAPPOINTMENT REGARDING UNITED STATES PRELIMINARY DETERMINATIONS OF DUMPING AGAINST CANADIAN STEEL

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, said that he was quite disappointed at today's announcement, by the United States Department of Commerce, of preliminary dumping determinations against imports of four flat-rolled steel products from 19 countries, including Canada.

"Given the integrated nature of the North American steel market, trade remedy action like this makes no commercial sense and is a significant obstacle to the conclusion of a bilateral steel accord -- an initiative, taken by the Canadian industry, that we support and will continue to pursue," Mr. Wilson said.

The Minister noted that Revenue Canada had recently announced preliminary dumping determinations against imports of steel plate from nine countries, including the United States. The average dumping margin for U.S. imports in this ruling was set at 13 per cent. The Minister also noted that Revenue Canada will be making additional preliminary determinations on January 29 for hot-rolled steel and on March 31 for cold-rolled steel.

"The government will ensure that the issue remains at the top of the bilateral agenda with the new Clinton administration," Mr. Wilson said. He added that he had recently raised the steel issue with the new United States trade representative, Mickey Kantor, as well as the new United States Commerce Secretary, Ron Brown.

The government has undertaken a number of initiatives intended to seek a resolution of the issue. These include an advocacy campaign in the United States in support of the industry's proposed bilateral steel accord, a proposal for a Canada-United States panel on steel trade, and Canada's participation in discussions on the United States proposed Multilateral Steel Agreement. These initiatives are in addition to assistance that the government has provided to the industry response to the United States investigations themselves.

On the proposed bilateral steel accord, Mr. Wilson said: "The industry and the government will continue to pursue the objective of concluding a steel accord with the United States. Today's action, as well as the recent action by Revenue Canada, demonstrates the counterproductive nature of both countries taking anti-dumping action against imports from each other."

Under United States trade law, anti-dumping duties will be imposed on imports, if the Department of Commerce and the United States International Trade Commission (ITC) make final affirmative determinations of dumping and injury respectively. Commerce is expected to make its final determination by April 12, while the ITC's final determination by is expected by May 27. Until the duties are finalized, importers will be required to post bonds covering the provisional duties.

Both of the final determinations in these investigations may be challenged under the dispute settlement provisions of Chapter 19 of the Canada-United States Free Trade Agreement.

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For further information, media representatives may contact:

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Backgrounder

PRELIMINARY DETERMINATIONS OF DUMPING BY THE
U.S. DEPARTMENT OF COMMERCE

January 27, 1993

CARBON STEEL PLATE

<u>COMPANY</u>	<u>DUMPING MARGIN</u>
Stelco	68.70 per cent
IPSCO	0.03 per cent
All others	68.70 per cent

CARBON STEEL HOT ROLLED

<u>COMPANY</u>	<u>DUMPING MARGIN</u>
Stelco	10.80 per cent
Dofasco	2.87 per cent
IPSCO	1.05 per cent
All others	3.99 per cent

CARBON STEEL COLD ROLLED

<u>COMPANY</u>	<u>DUMPING MARGIN</u>
Stelco	3.49 per cent
Dofasco	0.47 per cent
Sidbec-Dosco	10.16 per cent
Cold Metal Products	35.75 per cent
All others	10.95 per cent

CARBON STEEL GALVANIZED

<u>COMPANY</u>	<u>DUMPING MARGIN</u>
Stelco	7.19 per cent
Dofasco	1.62 per cent
All others	5.96 per cent

Backgrounder

CANADA-UNITED STATES STEEL TRADE

Government Action

INTRODUCTION

- The government has given the steel issue the highest priority. The Prime Minister raised the issue with President Bush, and Minister Wilson raised it with United States Trade Representative, Carla Hills. More recently, Minister Wilson raised the steel issue with the new Commerce Secretary, Ron Brown, and the new United States Trade Representative, Mickey Kantor.
- The government will ensure that the steel issue remains at the top of the agenda with the new Clinton administration. The government will use every opportunity to emphasize the importance of the steel issue in this regard.

CHANGES TO UNITED STATES TRADE REMEDY LAW

- Changes to United States trade remedy law, whether in the context of the Canada-United States Free Trade Agreement, the Multilateral Trade Negotiations or the North American Free Trade Agreement, have been a high priority for the government.

CANADIAN TRADE INVESTIGATIONS

- Revenue Canada is conducting anti-dumping duty investigations against imports of three flat-rolled products from a number of countries, including the United States.

ADVOCACY CAMPAIGN

- A government/industry/labour advocacy campaign is being conducted in the United States with the objective of seeking support among potential allies of the Canadian steel industry for the resolution of these investigations through the negotiation of a Canada-United States steel accord.
- The Canadian consulates in the United States have been active in contacting suppliers and customers of the Canadian steel industry, as well as United States steel producers and exporters caught in the Canadian cases, to state the

Canadian view that the investigations make no commercial sense in an integrated steel market and are an obstacle to the conclusion of a Canada-United States steel accord.

- The main advocacy document is a pamphlet entitled **Canada-United States Steel Trade: A Relationship in Peril** that has received wide distribution through both industry and government representatives.

CANADA-UNITED STATES STEEL AGREEMENT

- The Canadian industry continues to pursue a Canada-United States steel agreement with their counterparts in the United States.
- The government supports this initiative and will continue to pursue it in co-operation with the Canadian industry.
- The government has proposed to the United States a Canada-United States panel to examine ways in which the trade laws of both countries might be changed to better serve the integrated nature of the North American steel market. The government will continue to press for the establishment of such a panel.

MULTILATERAL STEEL AGREEMENT

- Canada has been participating in discussions regarding the United States proposal for a Multilateral Steel Agreement (MSA), intended to establish disciplines on international steel trade. The United States administration has been pursuing this proposal for the past three years.
- Canada has taken a constructive approach to these discussions and is prepared to consider any new United States proposals in this context.
- The most recent discussions on the MSA were held in Geneva on December 9-10. The preliminary focus of these discussions was on subsidies and dispute settlement procedures.
- The next multilateral meeting on the MSA will likely take place in late February.

TRADE INVESTIGATIONS

- Both the Canadian Embassy in Washington and External Affairs and International Trade Canada in Ottawa have worked closely

with industry throughout these investigations. Industry and union representatives have met with federal and provincial governments on several occasions since the trade investigations were launched, most recently on January 21.

- In addition to numerous personal contacts with the Department of Commerce on issues of concern to Canadian exporters caught in these investigations, the Embassy has submitted a diplomatic note arguing against the initiation of the investigations against Canada. Four other representations have been made to the United States Department of Commerce on technical issues since the petitions were filed by United States industry on June 30.