

Ottawa, Friday, November 16, 1990

**Referral No.: RE-90-001**

IN THE MATTER OF a referral, under section 33 of the *Special Import Measures Act*, made by the Deputy Minister of National Revenue for Customs and Excise to the Canadian International Trade Tribunal;

AND IN THE MATTER OF an advice of the Canadian International Trade Tribunal, under section 37 of the *Special Import Measures Act*;

RESPECTING the dumping in Canada of wooden clothespins, originating in or exported from Bulgaria, Brazil, the People's Republic of China, France, Hong Kong, Romania, Czechoslovakia and Yugoslavia.

**ADVICE**

The Tribunal hereby concludes that the evidence does not disclose a reasonable indication that the dumping of the subject goods from the named countries has caused, is causing or is likely to cause material injury to the production in Canada of like goods.

*Date of Advice:*

*November 16, 1990*

*Tribunal Members:*

*John C. Coleman, Presiding Member  
Arthur B. Trudeau, Member  
Michèle Blouin, Member*

*Director of Research:  
Research Manager:*

*Peter Welsh  
Douglas Cuffley*

Ottawa, Friday, November 16, 1990

**Referral No.: RE-90-001**

ADVICE under section 37 of the *Special Import Measures Act* respecting:

**WOODEN CLOTHESPINS, ORIGINATING IN OR EXPORTED FROM BULGARIA,  
BRAZIL, THE PEOPLE'S REPUBLIC OF CHINA, FRANCE, HONG KONG,  
ROMANIA, CZECHOSLOVAKIA AND YUGOSLAVIA**

TRIBUNAL : JOHN C. COLEMAN, Presiding Member  
ARTHUR B. TRUDEAU, Member  
MICHÈLE BLOUIN, Member

**ADVICE**

On October 18, 1990, the Deputy Minister of National Revenue for Customs and Excise (the Deputy Minister), having received a properly documented complaint from Arc-en-ciel épingle à linge enr. (Arc-en-ciel) of St-Majorique, Quebec, decided not to initiate an inquiry on the dumping of wooden clothespins originating in or exported from the named countries and has referred the question of material injury to the Tribunal, under subsection 33(2) of the *Special Import Measures Act* (SIMA).

The Deputy Minister is of the opinion that, on the basis of the information supplied by the complainant, there is not a reasonable indication that the dumping has caused, is causing or is likely to cause material injury to the production in Canada of like goods. On the other hand, the Deputy Minister believes that there are several factors relevant to this case that require review by the Tribunal. Under section 37 of SIMA, the Tribunal must render its advice without a hearing, on the basis of the evidence and the information that were before the Deputy Minister, not later than 30 days after the date of referral.

The information provided to the Tribunal by the Deputy Minister, which is based on the documented complaint filed by Arc-en-ciel, was closely examined by the Tribunal in order to render its advice under section 37 of SIMA.

This information indicates that Arc-en-ciel is the only manufacturer of wooden clothespins in Canada. The complainant started producing wooden clothespins on October 1, 1989, but had to cease production at the end of December 1989 because of mounting inventory and difficulties in penetrating the market. Except for these three months of production at the end of 1989, it would appear that there has been no production in Canada since 1985.

Wooden clothespins are normally used to hold clothes on a fixed or movable line for the purpose of drying out. They are made of two wooden slats held together in the centre by a metal spring.

The complainant argues that the extremely low price level of dumped wooden clothespins retards or prevents its establishment in the Canadian market. This was reflected by the cessation of production in December 1989 and by the layoff of production employees and of employees on assembly and packaging operations carried out in private dwellings. The complainant also argues that significant investments will be jeopardized if protection against dumping is not implemented.

In its complaint, Arc-en-ciel states that it produces goods of a quality comparable or superior to the imported goods and that it can supply almost half of the Canadian market demand, which is about one million grosses per year. The Tribunal notes that the complainant has not carried out any market price survey, cost of production or profitability analysis. Only after ceasing production did it establish a cost of production of its product. In spite of some contacts made with merchants dealing in this product, no sale resulted. Also, the complainant did not establish a distribution network nor did it prepare a marketing program.

The Tribunal finds that there is aggressive competition among importers and that they can source these goods from various countries. In addition, the countries in question, except for France, which has not exported to Canada since the end of 1989, appear to provide a low-cost product. By comparison, the complainant's manufacturing cost is much higher than the average import prices from the named countries. Even if an antidumping duty equal to the margin of dumping, as estimated by the Deputy Minister, were added to the current import costs, importers could still sell their products at prices below the complainant's manufacturing cost. Consequently, if Arc-en-ciel succeeded in selling its product at these new market prices, it would still incur losses.

In view of all the information provided and of the conclusions of its analysis, the Tribunal is of the opinion that the evidence does not disclose a reasonable indication that the dumping of wooden clothespins, originating in or exported from Bulgaria, Brazil, the People's Republic of China, France, Hong Kong, Romania, Czechoslovakia and Yugoslavia, has caused, is causing or is likely to cause material injury to the production in Canada of like goods.

John C. Coleman  
John C. Coleman  
Presiding Member

Arthur B. Trudeau  
Arthur B. Trudeau  
Member

Michèle Blouin  
Michèle Blouin  
Member

Robert J. Martin  
Robert J. Martin  
Secretary