



Ottawa, Tuesday, November 23, 1993

Review No.: RR-93-001

IN THE MATTER OF a review, under subsection 76(2) of the *Special Import Measures Act*, of the finding of likelihood of material injury made by the Anti-dumping Tribunal on December 28, 1983, in Inquiry No. ADT-11-83, continued without amendment by the Canadian Import Tribunal on November 24, 1988, in Review No. R-9-88, concerning:

DEEP TILLAGE SWEEPS, FIELD CULTIVATOR SWEEPS, REVERSIBLE POINTS, REVERSIBLE HEAVY DUTY CHISELS, REVERSIBLE TWISTED CHISELS AND REVERSIBLE FURROW SHOVELS, KNOWN AS TILLAGE OR EARTH ENGAGING TOOLS, USED ON CHISEL PLOWS AND FIELD CULTIVATORS, ORIGINATING IN OR EXPORTED FROM BRAZIL

ORDER

The Canadian International Trade Tribunal, under the provisions of subsection 76(2) of the *Special Import Measures Act*, has conducted a review of the finding of likelihood of material injury made by the Anti-dumping Tribunal on December 28, 1983, in Inquiry No. ADT-11-83, continued without amendment by the Canadian Import Tribunal on November 24, 1988, in Review No. R-9-88.

Pursuant to subsection 76(4) of the *Special Import Measures Act*, the Canadian International Trade Tribunal hereby continues the above-mentioned finding without amendment.

Lise Bergeron

Lise Bergeron
Presiding Member

Kathleen E. Macmillan

Kathleen E. Macmillan
Member

Sidney A. Fraleigh

Sidney A. Fraleigh
Member

Michel P. Granger

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Secretary

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Special Import Measures Act - Whether to rescind or continue, with or without amendment, the finding of likelihood of material injury made by the Anti-dumping Tribunal on December 28, 1983, in Inquiry No. ADT-11-83, continued without amendment by the Canadian Import Tribunal on November 24, 1988, in Review No. R-9-88.

Place of Hearing: Ottawa, Ontario
Dates of Hearing: October 4, 5 and 6, 1993
Date of Order and Reasons: November 23, 1993

Tribunal Members: Lise Bergeron, Presiding Member
Kathleen E. Macmillan, Member
Sidney A. Fraleigh, Member

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Economist: Simon Glance

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Robert R.A. Fry
for Ralph McKay (Canada) Limited

Thomas R. Lederer
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Christine McKenna
for J.I. Case - Hamilton Plant

(Manufacturers)

Peter Clark
Chris Hines
John Haime
for Baldan Implementos Agricolas S/A
Marchesan Implementos e Maquinas Agricolas
"Tatú" S/A

(Exporters)

Witnesses:

Hans Gaastra
President and C.E.O.
North American Operations
Ralph McKay (Canada) Limited

Carl Suchard
President
Canadian Farm Supply Ltd.

Bill J. Sallas
Product Manager
Parts Marketing
J.I. Case
A Tenneco Company

A. Richard Toogood
Manager, Cost Accounting
and Inventory Control
J.I. Case
A Tenneco Company

Han Steenmeijer (Agr.)
Export Department
General Manager
Baldan Implementos Agricolas S/A

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Marktill Corporation
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TRIBUNAL: LISE BERGERON, Presiding Member
KATHLEEN E. MACMILLAN, Member
SIDNEY A. FRALEIGH, Member

STATEMENT OF REASONS

BACKGROUND

This is a review, under subsection 76(2) of the *Special Import Measures Act*¹ (SIMA), of the finding of likelihood of material injury made by the Anti-dumping Tribunal on December 28, 1983, in Inquiry No. ADT-11-83, continued without amendment by the Canadian Import Tribunal (CIT) on November 24, 1988, in Review No. R-9-88, concerning deep tillage sweeps, field cultivator sweeps, reversible points, reversible heavy duty chisels, reversible twisted chisels and reversible furrow shovels, known as tillage or earth engaging tools, used on chisel plows and field cultivators, originating in or exported from Brazil.

Pursuant to subsection 76(2) of SIMA, the Canadian International Trade Tribunal (the Tribunal) initiated a review of the finding and issued a notice of review on July 5, 1993. This notice was forwarded to all known interested parties and was published in Part I of the July 17, 1993, edition of the Canada Gazette.

As part of this review, the Tribunal sent questionnaires to known manufacturers and importers/exporters of the subject goods. From the replies to these questionnaires and other sources, the Tribunal's research staff prepared public and protected pre-hearing staff reports. In addition, the record of this review consists of all relevant documents, including the original finding, the notice of review, public and confidential sections of

1. R.S.C. 1985, c. S-15.

replies to the questionnaires, all exhibits filed by the parties at the hearing as well as the transcript of all proceedings. All public exhibits were made available to interested parties, while protected exhibits were provided to independent counsel only. Public and *in camera* sessions were held in Ottawa, Ontario, on October 4, 5 and 6, 1993.

Ralph McKay (Canada) Limited (McKay) and J.I. Case - Hamilton Plant (Case) are manufacturers of the subject goods and were represented by counsel at the hearing, submitted evidence and made argument in support of continuing the finding.

Baldan Implementos Agrícolas S/A (Baldan) and Marchesan Implementos e Maquinas Agrícolas "Tatú" S/A (Marchesan), two Brazilian exporters, were represented by counsel at the hearing. They submitted evidence and made argument in support of rescinding the finding.

Mr. C. Suchard, President of Canadian Farm Supply Ltd. (Canadian Farm), a distributor of the subject goods, appeared as a witness at the invitation of the Tribunal.

PRODUCT

The subject goods under review are deep tillage sweeps, field cultivator sweeps, reversible points, reversible heavy duty chisels, reversible twisted chisels and reversible furrow shovels, known as tillage or earth engaging tools, used on chisel plows and field cultivators, originating in or exported from Brazil.

Tillage tools are used extensively in dryland farming areas of the North American Prairies and Australia; there is also a small market in Ontario, Quebec, the Maritimes and the interior of British Columbia. The goods are made of high-grade, heat-treated carbon steel and are available in a variety of models, differing in size, shank length, shank angle, bolt size and bolt hole placement. Their useful life depends on soil condition, soil moisture and the speed at which the chisel plow or field cultivator is operated.

Deep tillage sweeps, reversible heavy duty chisels, reversible twisted chisels and reversible furrow shovels are designed to be attached to chisel plows. As such, they are used for deep tillage to break up the ground. They are primary tillage tools designed to rip up the soil on stubble land.

Field cultivator sweeps and reversible points are designed to be attached to field cultivators. As such, they are used to break down the soil for seed bed preparation. The field cultivator, a much lighter implement than the chisel plow, turns the soil over, cutting off weeds at their roots, with little displacement.

Tillage and earth-engaging tools are produced from high-carbon steel in coils which is fed through an uncoiler. It is then cut into smaller pieces which are punched into the appropriate shapes, heated and coined before final forming. The pieces are then heat-treated, painted and packaged for shipment.

DOMESTIC INDUSTRY

McKay of Regina, Saskatchewan, the largest domestic producer of tillage tools, was founded in 1975 by Ralph McKay Limited of Australia. In 1985, the parent company acquired Empire Plow Company (Empire) of Cleveland, Ohio. McKay subsequently acquired

51 percent of Empire's shares from its parent company.

McKay markets tillage tools primarily in Western Canada and the U.S. Midwest. Sales are made either directly to original equipment manufacturers (O.E.M.) or through distributors who service the aftermarket through a network of dealers. The company also manufactures disc blades and component parts for agricultural machinery.

In early 1985, J.I. Case of Racine, Wisconsin, acquired International Harvester (IH) and its tillage tool production facility located in Hamilton, Ontario. Case is a wholly owned subsidiary of Tenneco Inc. of Houston, Texas. The Case plant is a vertically integrated manufacturing facility which produces tillage tools as well as agricultural equipment such as seeders, harrows and cultivators. Approximately 80 percent of plant production is exported. In Canada, the company markets tillage tools exclusively through Case-IH dealers.

F.P. Bourgault Tillage Tools Ltd. (Bourgault), a privately owned company with production facilities located in St. Brieux, Saskatchewan, began production of the subject goods in 1989. The company was formed from the Cultivator Division of Bourgault Industries, an agricultural equipment manufacturer that has been in operation since 1972. Bourgault sells to dealers in the Prairie Provinces and northern United States. The company also supplies its parent company with tillage tools to be used on original equipment production.

The smallest of the three domestic producers at the time of the 1988 review, L.S. Edwards Inc. (Edwards) of Lethbridge, Alberta, was a wholly owned subsidiary of L.S. Laser Systems Ltd. (Laser) of Calgary, Alberta. Laser was a public company trading on the Alberta Stock Exchange. Prior to March 1988, Edwards was known as Edwards Rod Weeder Ltd. The company, including the parent company, ceased operations in early 1990.

SUMMARY OF THE 1983 FINDING AND 1988 REVIEW FINDING

In its finding of December 28, 1983, the Anti-dumping Tribunal viewed the domestic market for tillage tools over the 1980 to mid-1983 time frame. It noted that, in 1980, McKay accounted for roughly one half of the sales made in Canada from domestic production and that McKay had also been successful in exporting a sizeable proportion of its production to the United States. In 1981, the company had another good year, having made considerable gains in domestic sales and financial performance. McKay's sales volume and market share increased in that year, and the market share gains were made at the expense of imports from the United States.

Although the domestic market for tillage tools declined by 18 percent in 1982, McKay's performance was good once again. The Anti-dumping Tribunal noted that, even in a contracting market, McKay almost matched the high sales volume of 1981 and it made sizeable gains in market share, again at the expense of U.S. imports.

In 1983, Brazilian imports appeared in volume in the Prairie market. In its finding, the Anti-dumping Tribunal noted: "Although it was a product that was new to the Canadian market, and had no track record of satisfactory performance in Canadian farming, the Brazilian tillage tools achieved a market penetration of approximately 8 percent of the Canadian market in their first season - by no means a minor gain. Of central importance in their success were their low prices, made possible by a substantial margin of

dumping.²" However, despite the Brazilian incursion, the Anti-dumping Tribunal stated that McKay was able to chalk up further gains in performance (partly due to a very large one-shot order) and, accordingly, was not persuaded that the dumping had caused material injury to domestic production.

With respect to the likelihood of continued dumping of Brazilian products causing material injury, the majority of the panel was persuaded that such injury was likely and concluded: "In summary, with the competitive advantage conferred by lower prices permitted by dumping, Brazilian imports would be able and likely to increase their displacement of sales of McKay's products in the farm dealer market, to displace sales of McKay's products in the O.E.M. market, and to arrest McKay's displacement of U.S. imports."³

In its review finding of November 24, 1988, the CIT noted that the parallels between the market factors which led the majority of the Anti-dumping Tribunal to find a likelihood of injury in 1983 and the market factors the CIT had to address in the review were striking. The CIT noted that McKay, the complainant in the original inquiry, had continued to perform well since 1983. Its financial results were satisfactory, the company had made modest market share gains and had increased productivity. The evidence also revealed that 1988 would be another good year for McKay.

Dumping by Marchesan, the sole Brazilian exporter to Canada at the time of the original inquiry, had been negligible since the finding, and the company had been able to continue to compete in the Canadian marketplace without resorting to dumping. However, Baldan, a new Brazilian supplier on the domestic scene, began shipping to the Canadian market in volume in 1987. In the CIT's view, Baldan had clearly shown a propensity to dump and had quickly established itself in the Canadian market at attractive price levels and could be expected to continue to expand that base if no longer subjected to anti-dumping measures.

POSITION OF PARTIES

Industry

Counsel for McKay argued that the domestic producers are vulnerable to the inevitable reduction in Canadian prices for tillage tools which will occur if the finding is rescinded. Counsel submitted that the subject goods are a commodity product and one brand is readily substitutable for another. They are low-priced goods, the sale of which is highly price sensitive, particularly under current economic conditions. Moreover, production of the subject goods is capital intensive, necessitating high production volumes in order for the industry to survive.

With respect to McKay, it was noted that the company had been operating under new ownership for only 14 months, but had achieved positive financial results over that period, due largely to significant cost improvements. However, counsel claimed that further cost reductions were unlikely. Further, counsel argued that all participants in the Canadian market

2. *Deep Tillage Sweeps, Field Cultivator Sweeps, Reversible Points, Reversible Heavy Duty Chisels, Reversible Twisted Chisels and Reversible Furrow Shovels, Known as Tillage or Earth Engaging Tools, Used on Chisel Plows and Field Cultivators, Originating in or Exported from Brazil*, Anti-dumping Tribunal, Inquiry No. ADT-11-83, December 28, 1983 at 9.

3. *Ibid.* at 10.

are competing on price in a disastrously contracted market. In addition, markets worldwide have been contracting, resulting in excess production capacity.

With respect to the likelihood of resumed dumping by the Brazilian exporters, counsel argued that the strategy and reasoning used by the exporters to determine prices guarantees that dumping will recur if the finding is permitted to expire. Counsel also noted the recent anti-dumping finding in Australia which determined that the same Brazilian exporters were dumping at large margins in that market. In counsel's view, Marchesan's commencement of production of the subject goods in the United States in 1990 was a deliberate attempt to avoid the constraints of anti-dumping regulations on its exports to Canada and Australia. Moreover, counsel suggested that the Brazilian exporters' pricing in the U.S. market clearly shows the likelihood of resumed dumping in Canada.

Finally, counsel submitted that a rescission of the finding is premature. The domestic industry is in an uncertain financial condition. Recent rationalization programs by McKay and Case have not had enough time to determine the impact on their financial performance.

Counsel for Case argued for a continuation of the finding on the grounds that the Canadian market is particularly vulnerable to unfair price competition at this time. The domestic market has contracted due to the consolidation of farming operations and the consequential decline in equipment use, the impact on farming caused by recessionary factors and the acceptance of new tillage practices which have reduced tillage activity. This decline in demand has, in counsel's view, resulted in a fragile and price sensitive market.

Counsel claimed that Case is at a crossroads and will suffer material harm if the duty is removed. Case has initiated a comprehensive rationalization program of its parts business, and the company is expected to cover its costs in 1994 and produce a profit in 1995. Until the market contraction stabilizes and Case's rationalization program is complete, even a small decline in prices will impact on the company's ability to compete.

Counsel argued that the Brazilian exporters have shown a propensity to dump, as witnessed by their history and philosophical approach to pricing. This, it was alleged, was confirmed in the 1983 and 1988 decisions of the Tribunal's predecessors as well as by recent dumping action in Australia. Moreover, this history of dumping was underscored by the low Brazilian pricing in the U.S. market, which could be expected to occur in Canada in the absence of an injury finding. Further, in counsel's submission, Brazil's declining exports and lack of dumping in the Canadian market are not determinative of future activity. Without dumping duties, Marktill Corporation (Marktill) would no longer be obliged to supply the Canadian market from U.S. production and would be free to source from Brazil once again.

Exporters

Counsel for Marchesan and Baldan urged the Tribunal to rescind the finding, noting that the domestic industry has never been determined to have been materially injured by dumped imports. Marchesan and Baldan have demonstrated that they can compete in the Canadian market without dumping and that, in fact, there has been no dumping since 1989. The Brazilian exporters have been selling at profitable levels in Canada and, although they could increase volume by dropping prices, they have chosen otherwise.

With respect to Marchesan's and Baldan's behaviour in the future, counsel noted that they have been subject to the scrutiny of the Department of National Revenue (Revenue Canada) and the Tribunal for several years and are not likely to risk going through the process again. The process of obtaining normal value determinations from Revenue Canada was characterized by the exporters as a nuisance which caused delays in shipments and created additional costs.

Finally, counsel argued that McKay has had a free ride for the last 10 years and that the company has been doing very well in the domestic market. Information with respect to Case's sales and financial performance, however, was claimed to be insufficient for the Tribunal to render a proper decision.

ECONOMIC INDICATORS

The domestic market for tillage tools has undergone significant changes over the past decade. The trend towards minimum tillage practices, increased chemical usage and recessionary pressures experienced by the farming community have all led to declining demand for the subject goods. From a high of almost 3.5 million units in 1986, the market fell to around 2.0 million units in 1992, a decrease of more than 35 percent. During the period of this second review, i.e. 1988 through mid-1993, significant decreases occurred in 1989, 1991 and the first half of 1993.

In this declining market, industry market share peaked in 1988, but returned to historical levels at around 70 percent of the market between 1989 and 1992. In the first half of 1993, the industry recovered several points of market share at the expense of U.S. exports, but sales continued to slide. Similarly, export sales by McKay and Case, although more volatile than domestic sales, have also exhibited a downward trend in recent periods.

Brazil and the United States accounted for virtually all imports into Canada of tillage tools during the period under consideration. Total imports peaked at approximately 800,000 units in 1990 and took some 30 percent of market share. Although total imports declined somewhat in the 1991-92 period, market share held steady at the 1990 level. However, in the first six months of 1993, imports fell by nearly 50 percent from the corresponding period of 1992 due to decreased imports from the United States which coincided with a depreciated Canadian dollar. During the period under consideration, a shift in sourcing occurred from Brazil to the United States, with a consequent swing in market share. Brazilian product, which had held around 10 percent of the domestic market share between 1988 and 1990, declined sharply in subsequent periods, and market share fell to less than 5 percent. Brazilian imports have largely been

displaced by U.S. goods, which increased steadily until 1993, gaining market share that approached the 30-percent level in 1991-92.

Within this contracted domestic market, both McKay and Case incurred significant financial losses on sales of the subject goods throughout most of the review period, even though McKay returned to profitability in the first half of 1993. In addition, employment levels and capital investments with respect to the subject goods have been steadily declining, while underutilization of production capacity has been growing for both producers.

REASONS FOR DECISION

The Tribunal has traditionally used two criteria in determining whether a finding should be continued. First, the Tribunal must be satisfied that there is a likelihood of resumed dumping from Brazil if the finding is rescinded. Second, the Tribunal must be able to conclude that resumption of dumping is likely to cause material injury to the Canadian industry. The Tribunal is of the view that, in conducting a second review of a finding that has been in place for almost a decade, the burden on the domestic industry to demonstrate that these criteria have been satisfied is clearly a heavy one.

Evidence adduced during the course of the current review indicates that market factors in Canada have changed significantly since 1988. Demand for tillage tools has sustained a precipitous decline, having fallen by more than 30 percent in recent years. The move to minimum tillage, the increased usage of chemicals for weed control and the ongoing recession have all led to greatly reduced demand. Moreover, the evidence indicates that the market will contract even further, at least over the short term, by as much as 10 percent.

According to the evidence, these market conditions have not been limited to Canada, but have also been experienced in the United States and Australia, the only other large markets for the subject goods. Consequently, producers of tillage tools are competing in a contracting international marketplace.

A further change has also occurred with respect to the composition of the domestic industry. Bourgault, a Saskatchewan-based company, commenced production of the subject goods in 1989. Bourgault's production has shown significant annual increases which have, no doubt, augmented competition in the market and had an impact on the sales of other producers. Coincidentally, Edwards, the smallest of the producers at the time of the 1988 review, ceased production of the subject goods in early 1990. As well, McKay, as a consequence of the demise of its Australian parent, has recently undergone a change of ownership.

It is against this background of shrinking market opportunities that the Tribunal now addresses the evidence of the likelihood of resumed dumping in the event of a rescission of the finding. Essentially, the Tribunal must consider the likely pricing behaviour of Brazilian exporters in a declining Canadian market. To this end, a prudent and reasonable approach is to assess past actions. In the Tribunal's view, the history of dumping by the Brazilian exporters and their marketing and pricing strategy leads to the conclusion that the threat of resumed dumping is likely.

The evidence shows that, as recently as 1991, the same Brazilian exporters that were found to be dumping in Canada in 1983 and 1988 were also found to be dumping the subject goods in the Australian market. In the Tribunal's view, the Australian finding is significant for

two reasons: firstly, and most obviously, because it indicates a propensity to dump on the part of Brazilian exporters; secondly, the finding limits access to the Australian market, which accounts for a significant proportion of worldwide sales of the subject goods. Witnesses for the exporters testified that, as a result of the finding, the mix of goods sold to Australia had changed, prices had increased and quantities had fallen. Without free access to the Australian market, the Canadian market takes on greater significance for the Brazilian exporters.

Turning to the situation in the U.S. market, the Tribunal notes that, in 1986, Marktill, a U.S. company owned by a member of the Marchesan family, acquired Ingersoll Products Corp. (Ingersoll), the largest U.S. producer of tillage discs. This acquisition occurred the year after the imposition of countervailing duties by the United States on discs (round-shaped agricultural tillage tools with plain or notched edges) exported from Brazil. This business arrangement gave Marktill the ability to service the U.S. market and, subsequent to the 1990 Australian anti-dumping investigation, to also service the Australian market from its U.S.-based production.

In 1990, Marktill commenced production of the subject tillage tools at its Ingersoll facilities. Shortly thereafter, Marchesan exports from Brazil to Canada ceased. The evidence indicates that the great majority of the subject tillage tool production at Ingersoll is destined for the Canadian market. However, despite having production facilities in the United States, the bulk of the U.S. market for these products served by Marktill continues to be supplied from Brazil.

This production arrangement suggests to the Tribunal that, if the finding were rescinded, Marktill would be in a position to switch its sourcing of the subject goods to Brazil if price levels so warranted. Clearly, the prices of Marchesan products must be attractive because Marktill continues to source from Brazil the overwhelming majority of its tillage tools for the U.S. market, a market which is unencumbered by trade restrictions on imports of the subject tillage tools.

In determining whether the subject imports are likely to enter Canada at dumped prices should the finding be rescinded, the Tribunal examined Brazilian pricing in the U.S. market. Specifically, it attempted to compare U.S. prices to the normal values for sales in Canada. Unfortunately, the pricing evidence submitted by parties was such that few precise comparisons were possible for similar models sold at the same trade level and in the same time period. Furthermore, the Tribunal was limited to those models for which Brazilian exporters had normal values established for the Canadian market. The information that was available to the Tribunal indicated that a number of sales were made to the U.S. market at prices above Canadian normal values. On certain high-volume items, however, the prices on Brazilian-produced goods in the U.S. market appeared to be below Canadian normal values established for identical or similar items. The fact that the same exporters are prepared to sell at such prices in the U.S. market, a market that is quite similar to that of Canada, also suggested to the Tribunal that, without the constraint of an injury finding and in the context of shrinking market opportunities, Brazilian exporters would be willing to price at dumped levels in Canada to hold onto or gain market share.

Evidence submitted by Baldan and, to a lesser extent, by Marchesan reveals that Brazilian sales to the only other large markets for the subject goods, the United States and Australia, are down significantly in recent years. As in Canada, demand in these two markets can be expected to decline even further in coming years, which will exacerbate existing excess production capacity and, undoubtedly, will lead to even more severe price competition.

In light of these market conditions, the Tribunal believes that a rescission of the finding would lead to renewed dumping, whether accidental or intentional, which would place further downward pressure on the highly competitive domestic price levels. Marktill has stated its desire to have the flexibility to source at least part of its Canadian requirements from Brazil. Baldan, in spite of sharply contracted demand, has maintained a constant presence in the market over the past several years and, in 1993, supplied the subject goods to a new Canadian customer. Moreover, the President of Canadian Farm, a large domestic distributor, stated that, in the event of a rescission, his company would again look to Brazil to supply at least part of its tillage tool needs.

The Tribunal is satisfied that a resumption of dumping would cause material injury to the domestic industry should the finding be rescinded. As previously noted, the domestic market has contracted by over 30 percent since the last review in 1988 and is expected to decrease by a further 10 percent in the next two years. These difficult market conditions have served to restrain price increases by the Canadian industry and have contributed to poor financial results by both McKay and Case throughout most of the review period. Sales by the two companies have also been constrained to their major export market, the United States, where demand and price levels have also been depressed.

As a consequence of the restricted market opportunities, the domestic industry has witnessed growing excess production capacity accompanied by sharp decreases in employment levels. Although the industry has been able to regain some market share in 1993, sales have continued to slide.

While market conditions have placed McKay and Case in a difficult cost/price squeeze, the evidence indicates that both companies have recently taken steps to ensure their viability in the Canadian market. In 1992, McKay underwent a change of ownership and, as a result of cost reduction measures, the company returned to profitable levels on sales of the subject goods in the first half of 1993. During this period, McKay also consolidated the production of tillage tools at Regina, Saskatchewan, from Empire in Cleveland, Ohio. The consolidation should allow McKay to improve its capacity utilization and production efficiencies at Regina, Saskatchewan.

Similarly, Case has implemented a wide-ranging rationalization program at its Hamilton, Ontario, plant aimed at reducing fixed expenses, improving production processes and developing new products. Implementation of this program, it was claimed, will result in a break-even position on sales of tillage tools in 1994 and return a profit in 1995. As with McKay, Case claims that further cost reductions are not possible at the present time.

In the Tribunal's view, any resumption of dumping in the current depressed market conditions and economic climate would inhibit the industry from implementing programs which will enhance its competitive position in the coming years. For the foregoing reasons, the Tribunal believes that a continuation of the finding is warranted.

CONCLUSION

The Tribunal concludes that Canadian production of tillage tools is likely to be materially injured by the resumption of dumping which is likely to arise from a rescission of the finding. Therefore, the finding is continued without amendment.

Lise Bergeron

Lise Bergeron

Presiding Member

Kathleen E. Macmillan

Kathleen E. Macmillan

Member

Sidney A. Fraleigh

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Member