

their deliberations; only the peace of mind and the mentality of the manufacturers must be considered. Surely that is high protectionist doctrine of the most extreme type.

Mr. EDWARDS: What justification has the hon. gentleman for suggesting that the manufacturers increase the price so that the consumer has to pay more? I would refer him to the price spreads commission report in which it was stated most definitely that the spread between cost of production and the price to the consumer was in the retail end of the business, in the distribution, and not in the price charged by the manufacturer.

Mr. GLEN: Does the hon. gentleman mean to suggest that the manufacturers of these products are not going to take advantage of that tariff?

Mr. EDWARDS: I certainly do make that suggestion. The competition within the industry is sufficient to take care of that.

Mr. GLEN: I will deal with that point later. What I am saying at the moment is that so far as the doctrine of high protection is concerned this is a striking example of what protection means in the minds of the tariff board, and I presume that it was drawn from the evidence submitted to them. But they go on:—

Second, it would give them an opportunity to carry on substantially as they did before the change in their protection for a period during which they might take stock of their position and perhaps work out a more economically organized industry than now exists.

If that means anything it means that the tariff board were convinced that without this protection the industry as now carried on could not operate by reason of dislocation of perspective and lack of organization, and they say so very definitely. Let me quote section 13:—

The board suggests that it would be advisable and in fact necessary for the furniture manufacturers, particularly in southwestern Ontario, to begin immediately a study of their problems; and perhaps avail themselves of the conference provisions of The Dominion Trade and Industry Commission Act in an effort to preserve the industry and to maintain themselves in their position as important employers of labour in so many towns and villages in southwestern Ontario.

If words mean anything at all, that section plainly states that this industry, which has been carrying on for sixty years, is not in a position adequately and economically to supply the needs of the Canadian people unless it has a tremendous increase in its protective tariff. If my hon. friend is arguing

that the price is kept up by the retail merchants in the distribution of the product, well—

Mr. EDWARDS: I do not want my hon. friend to misunderstand me; I do not say that the whole retail trade is included in that statement. What I said was that it was definitely proved before the price spreads commission that the large departmental stores used their purchasing power to beat down the price of the manufacturer and did not pass on the benefit to the consumer.

Mr. GLEN: That point will be discussed later by some hon. members. In the meantime I am pointing out that the demand is being made for increased protection, and my point is that the industry ought to solve its own problems. But it is to be given a further period to reorganize itself. These manufacturers have been in the business for sixty years, and they are going to be given further time to put their house in order.

Section 14 reads:

It will be seen from the foregoing that the board's findings are based largely on two considerations, namely: the very wide drop in the protection from forty-five per centum to thirty per centum less ten per centum, thus making an effective rate of twenty-seven per centum and what may be called the disorganized state of the industry particularly in southwestern Ontario. These considerations lead to the view that the whole situation ought to be considered again after, say, a period of two years and that any increase granted should be regarded as in the nature of a temporary relief rather than as a final view as to the amount of protection required by the industry.

It seems to me that the simple, logical and economical solution for the problem of producing furniture at a lower cost lies in merging these contending interests and closing up some, bringing them all to a higher level of production and thereby enabling them to compete without the high tariff protection that they have to-day. The tariff board have studied their case. The very condition they now deplore, wherein they claim that their cost of production is higher than it would be normally, is brought about by the thing they are now anxious to sustain, high protection. They complain rightly about these disadvantages they labour under by reason of the duties on raw material, such as veneer, glass and so on. I am suggesting to the minister that this item should be deleted; it should not be proceeded with at this time. It is an item which is not justified by the evidence before the tariff board, and it is one which is most repugnant to a large number of hon. members of this committee.