

to the United States pianos that could be sold at retail for less than the wholesale price of pianos made in the United States. What happened? The United States authorities did not hesitate; they notified their customs officials to advance the invoice prices of these pianos.

Mr. LANDERYOU: Can my hon. friend tell us the difference in price between pianos in the United States and in Canada?

Mr. WERMENLINGER: I am not sure about the price, but I could tell the hon. gentleman something about the difference in quality. In any event, Japan lost its market for pianos in the United States. Therefore, without doing any harm to the wheat industry or to the cattle industry of the United States, the United States government protected its piano industry.

Then, is it not true that the Australian government has a customs law by which all pianos entering Australia from foreign countries are invoiced at no less than £25? While we realize that some concessions must be made to negotiate a trade treaty, and while we realize the importance of the treaty, yet we say that if a move is made by which men are thrown out of work and factories are closed, no matter whether they are small or large businesses, it is a move in the wrong direction and is a pity.

I refer again to the statement of the Minister of Labour who, when speaking on the address in reply to the speech from the throne, said he was expecting cooperation from private industry. I say, in view of the fact that the piano and organ industry has done its best to combat conditions and to survive, it would be a pity if, after all these long years, and after all these changes in domestic living conditions, it were threatened by the treaty.

Mr. MacNICOL: How is the department going to take care of a situation that might arise from the information contained in the letter which was read by the hon. member, and which I also read earlier in the debate?

Mr. ILSLEY: I have not the bulletin before me which was sent to collectors instructing them how to deal with dumped second-hand pianos. However, to the best of my recollection, the matter has been dealt with in a just but effective manner. The officials of the Department of National Revenue are not here, and I cannot tell the hon. member just what action was taken, but I think there was consideration of some proportion of the value new, or some value which had reason-

[Mr. Wermenlinger.]

able relation to the value new, which was fixed as being the minimum value for second-hand pianos.

Mr. MacNICOL: Would it be possible to import a piano at less than \$75?

Mr. WERMENLINGER: Certainly.

Mr. ILSLEY: It would all depend upon the value of the piano. I cannot speak definitely but I think some new pianos were quoted at under \$100 some years ago. As the item stood, the duty was \$75 on those new pianos, plus twenty-five per cent, which was unreasonable.

Mr. DUNNING: As to the effect on the industry may I point out that I have before me figures showing the production of pianos in Canada in 1934 under the rates which my hon. friend described as being suitable and satisfactory. In that year a total of 542 pianos were produced in Canada. In 1936, the first year of the first treaty with the United States, the total production of pianos in Canada, under the reduction which applied until January of this year, was 1,652. That is, the production of pianos actually tripled from 1934 to 1936.

Mr. GLADSTONE: Mr. Chairman, as a result of the use of victrolas and the invention of radio, the piano industry in Canada has declined for many years. But more recently there has been an upward trend in that industry. It has almost become an infant industry in respect to the production of commercial pianos. One can see that the present rate of duty of twenty-five per cent is quite effective on a piano which sells for \$300 or \$500, or possibly up to \$1,000. In those instances there would not be much necessity of the specific duty of \$75 per piano which had previously prevailed. But, as I understand the situation, the new commercial type of piano may be valued anywhere from \$75 to \$100. Consequently, the amount of duty at a twenty-five per cent rate on that commercial piano is not very great.

Considering all the industries related in connection with the supplying of parts and materials, I believe some consideration should be given to the various costs which go into the piano. For instance, in the city of Guelph large quantities of piano plates or castings are manufactured. The coal used in the smelting of the iron costs at shipping points located near where United States pianos are made only about \$1.50 a ton. But to bring that coal to Guelph the cost for freight is something like \$4.35 a ton, and there is the duty of 81.7 cents a ton. So that a company which