

*Canada-United States Trade Agreement*

Mr. WERMENLINGER: One of my hon. friend's colleagues, I think his neighbour on his right (Mr. Moore), said to this house the other day that it is not so much the tariff rates that stop productivity and curb employment as changes in and tinkering with the tariff.

Mr. McLEAN (Melfort): I was asking whether the change of 1931 was the first tinkering about which the hon. member complains.

Mr. WERMENLINGER: No; that change was made to stop the dumping of pianos and organs that was ruining our industry. In 1935, there was a change in that tariff by which an appraisal value was fixed on pianos, new or used, of \$75 as a specific minimum. The excise tax remained; the duty was still 30 per cent. But in 1936 the most favoured nation provision of the trade agreement brought the duty down from 30 per cent to 24½ per cent, the duty being bound not to be increased over 25 per cent. Under this latest agreement we still have the 24½ per cent duty; but the excise tax is gone, the specific minimum valuation is gone, and I am informed by leading piano and organ manufacturers of this country that this industry is gone. It may be a comparatively small industry; but if the importance of a large river depends upon the small streams that flow into it, and if a chain is as strong as its weakest link, the industrial fabric in Canada to-day depends upon the prosperity of each and every one of the small industries.

Mr. DUPUIS: Where is that industry situated?

Mr. WERMENLINGER: The Minister of Labour (Mr. Rogers) said, bearing out the statement in the Purvis commission report, that to curb unemployment the government expects cooperation from private industry. This is an opportunity to implement that. I am speaking of the piano industry not because I am interested in it, for I am not; I am not a manufacturer or a dealer—

Mr. DUPUIS: I asked the hon. member where that small industry is situated.

Mr. WERMENLINGER: In Ste. Therese and St. Hyacinthe, Quebec, in Clinton, Ontario, and the Heintzman company in Toronto; we have plenty of them. I may tell the hon. member that in the late 1920s we had a certain number of piano manufacturers, and to-day only twenty per cent of that number remain in business. Are we going to destroy them one by one?

[Mr. McLean (Melfort).]

Mr. DUPUIS: Will the hon. member allow me to remind him that the decrease in the piano industry is principally on account of the radio and the gramophone.

Mr. WERMENLINGER: I admit the advent of radio and the introduction of other household necessities, but the decrease is to a greater extent a result of changes in living conditions.

Mr. ROWE (Dufferin-Simcoe): And to Liberal party politics.

Mr. WERMENLINGER: At the low year of the depression there were manufactured in this country 400 pianos. Last year, on account of the initiative of the piano manufacturers, 4,000 were manufactured, giving a weekly payroll of \$25,000 to workers in piano plants and supply houses. Last year men working in such plants had forty weeks employment out of fifty-two, and manufacturers expected that this year for the first time since the depression they would have been able to give employment for fifty-two weeks had it not been for the change in this item as a result of the concession we have made to the United States.

I have a circular issued by a house in New York, addressed to dealers and pedlars of pianos in Canada. This circular was sent out at the time this treaty was just about concluded, when our manufacturers and wholesalers and dealers in Canada were not aware of the details of this treaty. This circular reads:

Under the new trade agreement the duty on pianos is reduced to such an extent—

“To such an extent.”

—as to make it highly profitable to import pianos from the United States, particularly when they can be bought at a fraction of their true worth. With such values to offer we hasten to communicate the details in order that you may lose no time in availing yourselves of the possible profits. For instance we can furnish twenty-one pianos, harnessed to the car, at \$500 or \$600 for the entire lot. In both cases the pianos will be unrepaid uprights.

As I said a few moments ago, Mr. Chairman, as a result of new designs and the initiative of our piano manufacturers, new interest in this instrument was developed. Within the last few years the piano has come to be recognized as something more than a piece of furniture in a home, rather, as an instrument carrying with it a certain mark of refinement and possessing great educational value. The duty against Canadian pianos entering the United States is forty per cent. There was a time when our pianos and organs