

of the sales, and the tariff board report shows that only two per cent of that would be competitive; in other words, some of the furniture does not enter into competition with Canadian furniture. Another point to be remembered is that we are not designers of furniture. Practically all the large furniture manufacturers and many of the big departmental stores, which do some of their own manufacturing, go to the United States and buy sets of furniture which they bring to Canada in order to serve as patterns for their own furniture. A large amount of that two or three per cent is used as models. We have to place a tariff against the United States, because of the terrible competition that is ruining Canadian industry! Ruining Canadian industry, when they raised their exports to this country by \$300,000, while the Canadian manufacturer increased his sales by something over \$2,000,000 during the same period.

The next argument is that some countries have a lower freight rate to get into our markets than our own manufacturers enjoy. I remember that argument being used in connection with Australian butter coming in here. It was said that it could be brought across the ocean cheaper than it could be shipped from interior points to the coast. The facts in regard to the freight on furniture are at page 41 of the tariff board report, and they show that the hardwood imported from the United States costs the Canadian furniture manufacturer fifty-two cents per hundred in freight rate landed in south-western Ontario, and that it takes one carload of lumber to make four carloads of furniture. In other words, in each hundred of furniture there is thirteen cents freight on the raw material from the United States. It also shows that the cost of raw material to the American factories competing, amounts to sixteen cents per hundred or four cents per hundred on the furniture.

But as against that, if you will add the cost of the raw material to the cost of the finished product from south-western Ontario, to the market in Montreal, you will find that the Canadian manufacturer of furniture first of all pays a freight cost of thirteen cents per hundred for the raw material, and 34½ cents for the finished product, or 47½ cents per hundred; whereas his competitor from the south pays four cents on the raw material and \$1.59 on the finished article, or \$1.63 a hundred. Therefore there is no use arguing that there is an advantage in freight in favour of the American manufacturer.

However the tariff board does say—and they have a hard job to do it—that there are some things wrong with the furniture industry

in Canada, the chief of which are that there are too many of them, that it is not an economical industry, that it is not efficiently handled, and that even if the tariff is raised, their problems will not be solved.

I shall read the summary of the report of the tariff board.

The findings of fact to the following effect are, in the judgment of the tariff board, warranted by the evidence collected at the inquiry:

(1) Furniture of wood, metal or other material in parts or finished, is now dutiable under tariff item 519 carrying rates of fifteen, thirty and forty-five per cent. The intermediate rate is subject to a discount of 10 per cent under the provisions of the Canada-France trade agreement. This discount applies to furniture imported from the United States.

(2) The Furniture Manufacturers' Association has asked for an upward revision of the intermediate tariff rate on furniture to 45 per cent.

(3) The furniture industry is distributed mainly in the smaller centres of population, in towns and villages, and generally constitutes the chief source of employment therein. The closing of a furniture factory—

And here is another good Tory argument I forgot:

The closing of a furniture factory would in many cases leave the employees entirely without any opportunity of alternative employment.

(4) The imports of wood furniture from the United States during the calendar year 1936 amounted to \$663,034, showing an increase over 1935 of \$376,288, or 131·23 per cent.

Terrible! Imports went from \$300,000 to \$600,000, while the Canadian industry increased its production by over \$2,000,000. Yet they put in here the figure of 131 per cent.

Mr. BENNETT: Almost equal to the duty on hats.

Mr. ROSS (Moose Jaw): Almost. I quote again:

(5) The value of wood furniture consumed in Canada during the calendar year 1935 amounted to \$19,557,578. The Canadian manufacturers have supplied 97·48 per cent and the United States 1·47 per cent of the Canadian market. On the basis of the estimated 1936 production the United States manufacturers' share of the Canadian market appears to have increased to 2·96 per cent.

(6) In ordinary circumstances the fact that the share of the Canadian consumption enjoyed by United States manufacturers is less than three per cent of that consumption would lead to the conclusion that no increase in the intermediate tariff is necessary; but certain conditions to be mentioned hereafter seem to point to the advisability of an increase.

(7) Canadian furniture manufacturers are at a disadvantage, particularly in the higher-priced furniture, as compared with United States manufacturers by reason of duties on such raw materials as veneers, vegetable glue and glass.

And I might add coal.