

Furniture manufacturers have mixed feelings on how they should respond to this invasion of their turf. Many are attempting to reduce their own costs by importing finished and unfinished parts and occasional furniture from some of the same overseas competitors. Recognizing the non-protectionist stance of the present U.S. administration, it appears unlikely that increased tariffs will be used to aid U.S. furniture manufacturers. It is possible that at some time import quotas may be established that will offer some relief, a relief that will come too late for some companies. There is a continuing effort in Washington calling for some kind of a deal with the Canadian Government to equalize furniture trade barriers between the two countries. Canada's exports into the U.S. have increased by 64% in the first quarter of 1984 over the same period in 1983. This is due partly to a lower U.S. tariff on Canadian imports and a differential in the value of the Canadian/U.S. dollars.

While Southeast Asian countries have made great inroads into the U.S. Market, they are trying to penetrate the Canadian market as well. Some of the same tactics are being employed. For example, furniture from Southeast Asia is produced KD and completely finished. It is shipped in cartons to strategically located assembly and distribution centers (usually major cities). From these centers it finds its way to the retailer.