

The effect of Canadian Government tariffs.

I am writing today as the managing partner of LZB Enterprises Ltd. dba La-Z-Boy Furniture Galleries of Greater Vancouver. I am writing today to explain the effect of the recent tariffs placed on goods from the United States are having to my business and to encourage you to put pressure on our trade representatives to end this dispute as quickly as possible.

La-Z-Boy is traditionally viewed as an American brand, our company though is 100% Canadian owned and operated, I have been operating my dealership in the Greater Vancouver area for the past 17 years. We currently employ 80 hard working Canadians in our four retail stores and warehousing operations. We are also actively looking to expand our operations which will result in the employment of many more Canadians. Our operation also employs many other service providers that provide essential services to our company, these businesses also employ many Canadians both in the Vancouver area and nation wide. All of these Canadian families are being negatively impacted by the 10% tariff that is being applied to 85% of the products that we sell.

We are contractually obligated to purchase our products from La-Z-Boy, its affiliated companies, and approved third party suppliers. We currently purchase product from as many Canadian suppliers as possible, but our opportunities are limited to decorating items and some dining room furniture. Our main product line is La-Z-Boy furniture, this furniture consists of upholstered sofa's, love seats, sectionals and of course the iconic La-Z-Boy recliner. These items which are responsible for 85% of our sales, are now subject to the 10% tariff that became effective July 1st, I have no option to source these products from a Canadian manufacturer. The 10% tariff is already having a devastating impact on our business. I currently have \$495 000 USD worth of product on order at La-Z-Boy that was not able to be shipped before July 1st, therefore subject to the tariff. This product was sold to customers over the past 12 weeks, therefore I am contractually obligated to deliver it to my customers at the price we agreed to. I will incur a nonrecoverable cost of more than \$65 000 CAD, this is a massive burden that my company has no choice but to bear. Going forward I will need to increase prices, hurting my customers, and look at eliminating positions as an increase in price always equates to a reduction in sales. If I do not take these steps I run the risk of losing my company entirely, putting my 80 staff and the staff of many of our service partners

out of work. Instead of looking to expand and hire more Canadians I am now looking at the real possibility of contracting and reducing my workforce. This is not a desirable reality for me or for the Government of Canada.

I am looking for your help to resolve the tariff situation we are dealing with. I would like the Government of Canada to reconsider these tariffs and instead look to other more productive solutions to fix our trade issues with the United States. I do applaud the governments plans to assist those companies in the steel and aluminum industries with the effects of the crippling tariffs they are dealing with and I would ask that you consider providing equal assistance to my company and others like mine. We also employ hard working Canadians and have no options to purchase products that are not affected by these tariffs.