By 1964, three years later, the imports had doubled, while the NPMA shipments remained the same, at about 190,000. By 1966, two years later, imports nearly doubled again, and NPMA sales also increased to 209,000.

Again, in 1967 the imports reached upward, to 15,661, but the NPMA sales dropped alarmingly to 178,000. Thus, from 1961 to 1967 the imports increased by over 12,000 units and NPMA production dropped by 12,000.

Past history shows that a reduction in tariff levels on pianos spurs an increase in imports: in 1959, when the tariff on pianos was reduced from 20% to 17%, imports doubled.

The Kennedy Round resulted in an agreement to reduce the American rate of duty on pianos from 17% to 8.5% in five annual steps. In 1968, the initial two percent reduction was affected, lowering the tariff from 17% to 15%. This reduction has been met by an increase in the tide of piano imports. For January and February 1967, piano imports totaled 1,226 units valued at $527,202, but, for the corresponding period of 1968, piano imports totaled 2,661 units valued at $1,090,958—more than double the 1967 figures.

The increase in imports is attributable to the economic aggressiveness of the Japanese who, while exporting less than two thousand pianos to the United States in 1961, exported 14,308 pianos in 1967—an increase of over 700% in only six years. For the first two months of 1968, Japanese pianos imported into the United States have doubled the 1967 figures: for January–February, 1967, 1,150 pianos valued at $465,523 were imported from Japan but, for January–February 1968, 2,453 pianos valued at $946,545.

The trend for 1968 is definite and well documented. That trend is alarming. Unless prompt action is taken to counter the effects of the duty reduction, the United States will witness the gradual extinction of is great traditional names in pianos.

Because of the Comparative Wage Scales, the Present United States Tariff on Pianos is no Barrier to Foreign Imports. A Tariff Reduction Would Compound the Injury

The increase in sales in the United States by Japanese piano manufacturers is not simply the product of Japanese marketing. With the prevailing wage rates in Japan a fraction of the rates in the United States, the Japanese are producing an equivalent piano at a fraction of the domestic price.

Piano construction involves an unusually high contribution of manual labor by skilled and experienced craftsmen. It is an art: there is limited room for increased productivity by machines and techniques of mass production. Consequently, the retail price of a piano varies in direct proportion to the cost of the labor devoted to its manufacture.

The average per hour wage rate in the U.S. piano industry is $2.70 plus more than $0.50 in average hourly fringe benefits. In Japan the total hourly rate varies from a low of only little more than the fringe benefits paid U.S. workers to a high of only a dollar per hour.

The U.S. piano industry, paying up to five times the Japanese hourly wages, cannot compete effectively with Japanese prices. The difference in labor cost of manufacture creates a $800 difference in cost of a single grand piano which, when domestically produced, sells at a price between $2,500 and $3,000 retail.

The existing 15% duty on pianos falls far short of equalizing the cost of Japanese pianos with U.S. pianos. An examination of the piano market after the tariff reductions in 1959 and in 1967 leads inevitably to the conclusion that future imports will be significantly increased as the duty on pianos drops steadily toward 8.5% in accordance with the Kennedy Round agreements.

The Pattern of Rapidly Increasing Imports Primarily From Japan in the Slowly Increasing Domestic Market Is Injuring Domestic Manufacturers

The increase in imports from 1961 to 1967 matches the decrease in NPMA sales. There is no foreseeable end to this trend unless the piano industry is given statutory relief.

It is possible that not all the NPMA sales decrease is directly attributable to import increase. But the fact remains that domestic manufacturers are suffering; the foreign manufacturers are gaining. As we have demonstrated, the fault lies not in inefficiency, profit-taking, or greed, but in the high wage burden accepted by the U.S. manufacturer.

Every imported piano sold in the U.S. affects, not only the economy of the U.S., but also a little bit of the art and the craftsmanship of piano making. If the present trend continues, one by one domestic manufacturers will close their doors