

## REPORT TO THE HOUSE

September 26, 1961.

The Standing Committee on Agriculture and Colonization has the honour to present the following as its

### THIRD REPORT

Your Committee has investigated the following aspects of farm machinery prices:

1. Costs of manufacturing farm machinery, including labour (wages and salaries), materials, overhead and profits;
2. Costs of distributing farm machinery, including the margins earned by dealers and transportation costs;
3. Other costs of ownership of farm machinery, such as charges for credit;
4. The organization of the farm machinery industry and market in North America.

The points of view of farm organizations, labour organizations, the farm machinery manufacturers and others with respect to the price of farm machinery have been placed on the records of your Committee.

Your Committee reports that it has met 32 times and feels, due to the wide scope of the questions considered, further study is necessary to determine the effect on the prices of farm machinery and repairs of the following:

- (a) If farmers are receiving the full advantage of a free trade market in farm machinery
- (b) Cost of distribution of farm machinery
- (c) Cost and standardization of parts
- (d) Standardization of farm machinery
- (e) Credit arrangements
- (f) The reluctance of machine manufacturers to provide details of their costs, which are regarded as being of a competitive nature
- (g) Different opinions of the witnesses as to the productivity of labour as compared to increase in wages.

Further study is also required because of the following:

- (a) The necessity of recalling some witnesses
- (b) Other witnesses yet to be heard.

Your Committee wishes to express its appreciation to all those who presented evidence and for the services of Mr. Gordon Haase, Economist, Department of Agriculture.

In view therefore of the present status of its enquiry, your Committee accordingly recommends:

1. That the subject of farm machinery prices be referred to it as soon as possible after the opening of the next session of Parliament;