companies of Canada. These companies were: Massey-Ferguson Ltd., International Harvester Co. of Canada Ltd., John Deere Ltd., and Cockshutt Farm Equipment Ltd. It was a most interesting investigation and we listened with great interest to what these machinery companies had to say about the steady rise in the cost of farm machinery. They gave many reasons. Each company contended that its margin of profit was below 4 per cent and also that its volume of business was decreasing. Well, the reason for a decline in business might be found among the records of the Dominion Bureau of Statistics. During the period 1951-61 the number of farms decreased by 23 per cent. Maybe this is one reason why the volume of business done by these companies had decreased. It was also stated by the machine companies that the costs of labour and materials had climbed to a much greater extent than had farm machinery prices.

We also invited the Canadian Labour Congress to present its views and it is interesting to note that in their statement the C.L.C. representatives contended that wages in the farm implement industry had not risen as much as they had in other industries. Though their wages had increased by 100 per cent since 1949, the standard of living had not increased as much as it had in the farm implement industries. They admitted that steelworkers' wages had increased by approximately 200 per cent since 1949.

As I say, we heard from the four main farm machine companies. We were also presented with a statement by the C.C.I.L.—the Canadian Co-operative Implement Company of Winnipeg. This was very different from the statement made by the four major companies, who said their profit amounted to only 4 per cent. We were particularly interested in the financial statement of the C.C.I.L. According to this statement the experience of the company over the years had been that in relation to total sales of slightly more than $54 million a net savings amounting to $5,640,000 had been made on sales which represent only a very small percentage of total machine sales in western Canada. In 1959, when C.C.I.L. had a better percentage of total sales than in several preceding years there was a saving of approximately 14 per cent on sales. More than $1,650,000 has been paid in cash to member customers and more than $500,000 has been placed in a deferred dividend position. This is very interesting. Here we have the four main implement companies contending that they are making a profit of only 4 per cent from their sales while the C.C.I.L. is making a profit as high as 14 per cent on sales.

I have in my hand some information from the Dominion Bureau of Statistics which will throw some light on the subject and endorse my argument that a Royal Commission be set up to investigate the increased cost of farm machinery across Canada in relation to the price of farm products. Here is a table headed "Value of Farm Implement and Equipment Sales, Canada, 1954-1964". I will give the figures in millions of dollars. In 1954, sales of farm implements and farm equipment amounted to $146 million and the price rose continuously over a ten year period until in 1964 it stood at $366 million. This represented an increase of about 100 per cent. The sale of repair parts in 1954 amounted to $27 million and by 1964 there had been an increase to $52 million. You can see, Mr. Speaker, that prices have continuously increased; they rose by almost 100 per cent during this nine or ten year period.

• (5:10 p.m.)

Now let us consider the D.B.S. table entitled "Index Number of Wholesale Prices of Canadian Farm Products, Canada, 1949-1964". The basis of these figures is that the index 1935-39 equals 100. In 1949 the index stood at 228.7, while in 1963 it stood at 229.9, an increase of only one point over a 15-year period. I now come to the index numbers of wholesale prices of field products. We find that in 1949 the index stood at 191.9 and in 1963 it decreased to 184.4. Then for animal products we find that in 1949 the index stood at 265.4 while in 1963 it rose to 275.4.

You will see from these tables, Mr. Speaker, that the prices of farm products have not kept pace with the increase in the prices of farm implements and machinery. I also have another table, obtained from the Dominion Bureau of Statistics, entitled "Selected index numbers of prices of commodities and services used by farmers". It is based on the index 1935-39 equalling 100. With regard to the composite index exclusive of living component, in 1949 the figure was 204.1, while in 1963 it stood at 298.6. In 1949 the index for farm machinery stood at 158.3, while in 1963 it rose to 272.9.

These figures reveal a very, very interesting and at the same time sad picture. The prices of farm machinery and services of which a farmer must avail himself have gone up 100 per cent to 200 per cent in some cases, while