The price of food...

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OTTAWA (CUP) – Who is responsible for the high cost of food in Canada? This question is one that most politicians are sidestepping with great agility, particularly with another federal election looming on the horizon.

Can we believe Prime Minister (for now) Trudeau when he says inflation is good because the farmers benefit from the higher prices they receive for their produce?

Or is it as some economic authorities maintain that a shortage of food has resulted in higher prices?

Or is it that the marketing of food has become very profitable for corporate interests?

Finding answers to these questions is a bit difficult, for little research is being done today on food costs. That which is being done is scattered throughout various sources.

But let us take a look at some disjointed statistics to see what's happening.

Total food prices rose 42.5 percent from 1961 to July of 1972.

The prices farmers received for their produce rose by 25.4 percent during the same period.

That 25.4 percent increase was wiped out by a rise in the farm production costs of 40.2 percent.

This means in reality farmers lost 14.8 percent in income from 1961 to July of 1972 due to increased costs.

Someone made a lot of money during that ten year period and it clearly wasn't Canada's farmers.

Canada's rural population has been cut in half since 1961.

The 1971 farm census shows that since 1966. the farm population has dropped a full 24 percent.

This consistent decline of 5 percent per year leaves only 7 percent of Canadians actively engaged in farming.

Clearly the crisis in agriculture started ten years ago and now has reached epidemic proportions.

The last four years have been very trying for farmers for as their costs went skyrocketing, their income dipped drastically. This occurred while the Trudeau government just happened to be fighting inflation.

According to information published by Statistics Canada, farm net income dropped to a low of $1,209 million in 1970. The 1964-68 average income was $1,564.8 million.

While farmers were making less money to meet those rising costs, the economy was booming.

Canada's Gross National Product increased steadily.

	1968	1969	1970	1971
C$ billions	72.586	79.749	85.549	93.094

Canada' chartered banks had their interest rates increased as part of the inflation fight and got a bigger share.

	1968	1969	1970	1971
profit C$ millions	381	486	528	557

Unfortunately the interest rates were lowered in 1971, so the banks' income from loans dropped by $100 million.

While the amount of profit increased, unemployment just happened to rise too.

yearly average of people unemployed

1968	1969	1970	1971
382,000	382,000	495,000	552,000

The unemployment statistics are incomplete because they do not include people on welfare or who have given up looking for work. (Young people have the honor of having most unemployed of any age category).

By now you may well ask that this has to do with the plight of the farmer.

Like everybody else in the country, farmers are directly affected by the economic conditions that prevail and the economic policies that permit these conditions to prevail.

Just who makes these economic policies?

The federal government commissioned a report on Canadian agriculture released in December of 1969.

The report has been described by one of its authors, Dr. Dave MacFarlane, as a prediction of the future of Canadian agriculture if the present trends continue.

Since the report came out nothing dramatic has occurred so as to make its predictions invalid. By 1990:

–there will be a reduction of the rural population to three or four percent of Canada's total population.

–the basic farm unit will be the huge corporate farm that hires employees to produce food with the same type of management procedures that are currently applied to industrial manufacturing.

–access to land by individuals seeking to start farming will be impossible.

If the last ten years of Canada's history are any indication, the Task Force's predictions will be met by 1980 – if not sooner.

The federal government has repudiated the report as a model for Canadian agriculture. But it has yet to take any steps to protect the rural population from further destruction.

All indications are that federal policy is actually directed toward the acceleration of rural depopulation.

Farmers are not given adequate price guarantees for their products to actually cover their cost of production.

The National Farmers Union did some research into the cost of production about two years ago.

If farmers in 1968 were to earn the poverty level as established by the Economic Council of Canada, they must have received between $2.35 and $2.65 per bushel of wheat produced in Saskatchewan. This would represent an approximate 8 percent return on their investment or just enough money to cover the interest payments on the money they borrowed to keep farming. This year farmers have been getting an average of $1.90 per bushel of wheat.

A farmer who can't cover his production costs is called unviable and in the spirit of the Task Force must be "rationalized" off of his land.

The farmer has really only two options for survival: buy more expensive machinery or buy more land thereby owing the banks more money.

The natural question arises of why doesn't the farmer get a fair price for his produce.

After all, isn't what is good for General Motors good for Canada? GM would like us to think so. Here lies the crux of the dilemma.

The food "industry" is probably one of the most profitable in this country. While thousands of farmers are forced off their land because of low income, fantastic profits have been made and continue to be made by the corporations involved in the processing, distribution and sale of agricultural produce. This is the phenonema known as "Agribusiness".

Just how profitable is the food industry? Let's just take a quick run down to your local friendly supermarket chain store and check out the prices.

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