

*Food Prices Committee*

have had commissions and committees of this House and of both Houses which have made very elaborate recommendations which have not been acted upon. The people of the country will no longer tolerate such action by this place or by the government of Canada.

During the last six years there have been two major studies carried out in respect of food prices in this country. One such study was carried out by a House of Commons and Senate committee in the mid-1960s, a committee on which the hon. member for Vancouver-Kingsway (Mrs. MacInnis) served. There was also the Batten commission established by the governments of Manitoba, Alberta and Saskatchewan in the mid-1960s. Both these bodies made elaborate studies and investigations of food prices in this country. They also made serious recommendations. Some of those recommendations have been acted upon, and many others have been shoved aside or tossed into the wastepaper basket.

At the outset I wish to encourage this House to see to it that the committee takes up the work where the others left off and investigates the conglomerate structure involved in our food industry and the many other factors which go into the prices of food in this country. Also at the outset I should like to make it very clear that the farmer is not the person at whom the finger of blame should be pointed. The farmer has spent his fair share of the food dollar per year during the past 20 or 25 years. Very often there is no relationship between the price he receives for his commodity and the price the consumer, or the farmer's wife must pay for the commodities she buys.

When I was a young person living on a farm in Saskatchewan I was very often puzzled when I saw my family sell livestock or grain and then go to the grocery store and buy these commodities highly priced when processed at the other end of the chain. When we have this study we should not blame the farmer, because his share of the food dollar is going down every year. In 1949 the farmer received 57 per cent of every food dollar spent in this country. In 1972 he received 38 per cent of every food dollar spent in this country. The farmer's share had slumped to 37 per cent or 38 per cent. That is quite a drop in that particular period. As we have seen, the processors, marketers and middlemen are gobbling up more and more of the consumer food dollar each year, and the farmer is receiving less. This is true in respect of almost every food commodity one might take a look at.

I should like to refer to some figures taken from the "Saskatchewan Economic Review," based on Statistics Canada data for 1972. Here I compare the years 1961 and 1970. We find, in 1961, for wheat turned into bread the farmer's share was 12.9 per cent of the consumer dollar. In 1970 it was 9 per cent of the consumer dollar, a drop of 3.9 per cent in respect of what the farmer previously received. The same is true in respect of potatoes. In 1961 he received 37 per cent, and in 1970 he received 34 per cent of the consumer dollar. In respect of canned peas, in 1961 he received 18.4 per cent of the consumer dollar, and in 1970 he received 13 per cent.

So we see that the share of the consumer dollar the farmer is receiving has been going down during the past decade despite the increased cost of food to the consumer. It is very clear that when this committee commences its

[Mr. Nystrom.]

work it must look at the middlemen and not the primary producer in this country, because it is not at the doorstep of the farmer that the fault lies for the increase in food prices.

Over the past ten years in many communities farm income has declined; the farmer has not had a fair deal in respect of the pricing of commodities in this country. We all know that in the last few months the price of beef, and so on, has been increasing but that has not been the trend in general over the past few years. Indeed, the farmer has been receiving the short end of the stick.

Once again I wish to refer to the statistics for 1972 reported in the "Saskatchewan Economic Review". There are some figures here which show 1961 as the base year with an index of 100. We find, ten years later in 1971, that the index in respect of farm prices for Saskatchewan farmers had fallen to 89.7 per cent of what it was in 1961. I realize that in the past year this figure has risen and that perhaps now it is as high as it was in 1961.

Farm costs have been increasing very rapidly. The Barber commission report on the price of farm machinery, tabled in this House a year or so ago, stated that farm machinery prices increased by 85 per cent between 1949 and 1971. The price of farm machinery has increased more than that during the past few years, as also has the price of farm machinery parts which the farmer must buy in order to maintain his farm equipment.

Once again I want to refer to the statistics provided by the "Saskatchewan Economic Review" to show that the cost of farm equipment, and so on, has been increasing in the last few years. Taking the year 1961 as the base year with an index of 100, we find that by 1971 the index for farmland and farm buildings had increased to 155.5 and that farm machinery had increased to 127.4.

It is very obvious that the cost to the farmer of producing food in the last ten years has increased drastically while his income has not followed suit. In fact, the increase in farm income has been, in general, far behind the increase in the income of almost every major economic sector in this country, and that is one of the things the committee will have to keep in mind when investigating food prices and recommending action.

• (2010)

All the committee has to do is look at the population trends in this country to know that farmers have been receiving the short end of the stick. Between 1949 and 1969 the rural population in Canada dropped from three million to two million people. Between 1966 and 1971, 15 per cent of Canada's farms disappeared, all of this despite the fact that the productivity of the farmer has risen very rapidly. In fact, in the last few years his productivity has risen at twice the pace of the non-agricultural sector of our population, namely, our nation's industrial population. So when we commence the study of food prices in this country we must begin, not with the farmer but with the real culprit, namely, the middleman in the food industry.

The farmer has been shafted, the consumer is paying a very high price for food and in many cases the man working in the store as a clerk is not getting a sufficiently high wage. Indeed, there are people in other areas whom