

Food Prices
AFTER RECESS

The House resumed at 8 p.m.

FOOD PRICES

CONCURRENCE IN FIRST REPORT OF SPECIAL
COMMITTEE

The House resumed, from Tuesday, April 10, consideration of the motion of Mrs. MacInnis (Vancouver-Kingsway) that the first report of the Special Committee on Trends in Food Prices, presented to the House on April 2, 1973, be concurred in.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I am glad to have an opportunity of speaking to this resolution. The last three times I have been cut off with about five or seven minutes to go, and having prepared a speech I should like to put it on the record. I should like to detail, in the short time allotted to me, some reasons why the price of food has risen substantially and to suggest some areas we might look to which, with some modification, might bring some relief to the upward spiralling of food prices.

First of all, I do not think the producers can be blamed for the rise in food costs. There are many reasons for this. For many years there has been a steady migration from the land in rural Canada. My riding is one such area. Not only has there been, in the rural areas, the natural increase in population which had to be sent off to the cities but there has also been a consolidation of many farm units into much larger farms.

Whereas years ago there were many farms producing a variety of grains, along with beef cattle, cream, eggs, poultry and pigs, there is now a much more specialized approach and many farmers produce only one type of grain or a certain type of livestock. This trend will likely continue. Large production of livestock seems to be concentrated in large herds of cattle. We have the almost factory-type, hog raising establishments. Chickens and turkeys are raised in like manner. This has certainly changed the whole concept of farming and perhaps has changed the ability of the industry to respond to sudden changes in demand.

In the late 1960s the price of food was abnormally depressed by the glut of grain in the world market, especially in Canada. The frantic attempts by farmers to diversify, aided and abetted by many governments, caused an oversupply of eggs, hogs, chickens and turkeys, with disastrously low prices. This led to demands for the setting up of marketing boards to curtail supply and thus bring about market stability. When finally the surplus of grain was sold and the world market for grain expanded, Canadian feed grains rose in price. But the situation was aggravated by a fall-off in animal protein from the Peruvian fisheries which resulted in record feed prices for protein supplements which are fed to animals. Flax and rapeseed rose in price, flax to its highest point in 20 years, due to the demand mainly for meal.

The resulting rise in food prices has caused widespread cries for something to be done. I think food prices will remain at a new high for the foreseeable future. Notwithstanding chronic concern with the high cost of meat, the

[The Acting Speaker (Mr. Lanier).]

per capita consumption of meat has risen sharply across the board; there has been an increase from 60 pounds per capita to 90 pounds per capita in beef over the past decade. Similar increases have been posted for other meats, such as pork.

In the current context of increasing food prices there are many forces at work in the market. A notable one is the fact that Japanese food buyers, by buying pork in the market, have raised the price to the highest point ever. We exported approximately 110 million pounds of pork in 1972, with Japanese imports increasing from 20 million pounds in 1971 to 45 million pounds in 1972. The Japanese have been buying great quantities of wool, lumber, plywood, rapeseed and pork around the world. However, since April their buying has reduced, with a resulting decrease of 20 per cent in the price of pork, a decrease in the price of lamb and a drop of 20 per cent in the price of wool. It is expected that the Japanese will come back into the market in May. This increase in buying may have been the result of enormous amounts of surplus yen which the Japanese wanted to get rid of in order not to be accused of contributing to monetary instability.

● (2010)

There are many areas which we should consider in studying possibilities in food production and food marketing. I do not think food prices will go down, because there seems to be no way that food can be produced more cheaply. If we wish to maintain the required food production we must ensure that there is sufficient manpower on the farms. We have witnessed such an exodus from the farms in the last 25 years that it seems doubtful that farmers remaining will expand their production of food to the desired limit. I think the number of Canadians still living on the farm is down to about 7 per cent. Canadians will have to be more concerned about the viability of the farming community.

The farm population at present is barely replacing itself, and it seems inevitable that further concessions and inducements will have to be made before there will be an increase in agricultural production. These inducements should take the form of recognition that payments for livestock, machinery and other capital investment in earlier years represent a direct charge on the income of the farmer. This should be recognized in our tax structure. It would create a much greater inducement for young people to go back into agriculture than the conventional way of giving large sums in loans, which results in a young farmer being in debt till he dies. The recent tax changes were very inimical to the accumulation of the capital necessary to carry on farming. For the western grain farmer, the loss of straight line depreciation is keenly felt. Also, the loss of the basic herd concept is bad, and it was only partially rectified by a recent amendment.

There is another area which I feel has contributed to the rising cost of food and has not been fully approached. This is the area of government regulations in respect of grading, and health laws. These have acted to put many small processing and slaughtering facilities out of commission. I have had experience with health authorities. Some seem to be especially vigilant and often make conditions so unreasonable or expensive that the small butcher or slaughterhouse cannot operate.