

In its August, 1959, Commercial Letter the Canadian Bank of Commerce made calculations of productivity increases in various sectors of the economy between 1946 and 1957, a 12-year period. This is what they had to say about agriculture:

The outstanding rise in productivity in agriculture, at 48 per cent, is particularly noteworthy. It may be observed, however, that 1957 was a year of comparatively poor harvest on the prairies. If the total product of agriculture in 1957 had been similar to that of the previous year, the percentage rise in productivity would have been even greater. This illustrates the influence that weather conditions may have on productivity statistics in agriculture; the desirability of accepting the figures as no more than a guide to a trend is clear in this instance. The achievement of a greater productivity rise in agriculture than in any other industry is, however, unquestionable, following a decade of revolutionary developments in mechanization and improvement.

We may add that the increase in productivity for all industry over the period—as shown by the Bank of Commerce figures—was 39%, compared to the 48% shown for agriculture in a comparatively poor crop year.

This remarkable increase in productivity has been the result of the use by farmers of seeds and plants more suitable to their soils and environmental conditions; increased application of commercial fertilizers and chemicals for controlling insects, plant diseases and weeds; improved methods of breeding, feeding and handling of farm animals and poultry; the employment of more efficient machinery and equipment; the adoption of recommended ways of preparing the soil for planting, cultivating, harvesting and storing of agricultural products, and improved skills in labour and management.

Modernization of farm production and the consequent increase in productivity per man hour is revealed in the larger yields of crops and fruits per acre, higher production of milk per cow, more eggs per hen, the increase in meat production in herds and flocks by more efficient feeding and breeding practices and in the increase in farm mechanization and the consequent saving in labour. Increased intensification and specialization in production have also contributed to greater productivity per farm worker.

It is this productivity increase that has made it possible for agricultural production to rise steadily, meeting the food needs of the people more than adequately, at the same time that the number of people employed in agriculture declined drastically.

Farm Income

If the prices of agricultural products had kept pace with the increase in costs of production, farming would now be a prosperous industry, but this is not the situation. The index of farm prices of agricultural products in 1959 was about 4 per cent lower than it was in 1949 and the 1960 index will probably stand at more or less the same level as in 1959. The prices of commodities and services required by farmers including farm living costs, as reported by the Dominion Bureau of Statistics, have risen since 1949 by about 30 per cent. Therefore, in constant dollars, the 1959 net income from farming in Canada was 35 per cent lower than it was in 1949. In spite of the substantial decrease in the number of farm operators since 1949, the real net income per farm operator in Canada averaged 5 per cent less in 1959 than it was ten years before. By contrast, in 1959, real wages in manufacturing industries, after adjusting for cost of living changes, were 33 per cent above the level of 1949, which provides some measure of the deterioration in the farmers' relative income position. It is hardly surprising that in this period