

Inside Canada by Pierre Beaudry

Wheat crop: dead in the fields

Planned chaos to turn Canada's most productive farmland into a preserve for the World Federalists.

As a result of deliberate government mismanagement, the usury practice of the banking system, the virtually non-existent irrigation system, and the devastating drought of this summer, possibly as much as 75% of the farming industry of Western Canada will be bankrupt in the very near future, reports from Alberta reveal.

In fact, grain for export will fall by 25% this year and will be down by 75% next year. This means there will be a short fall of 23 million tons in July 1985 from the record of 30.32 million tons of prairie grain export for last year. "Farming as we know it is ended here," reported Emil Gundlock, a grain farmer and the manager of Southland Insurance in Lethbridge, Alberta. Gundlock told *EIR* that "up to 75% of the farming industry is expected to go under. With the compound effects of the debt load of over \$100 billion, interest rates at 14%, and a drought much worse than that of the 'Dustbowl thirties,' we will be lucky if 25% of us survive."

The ripple of this is hitting the whole industry. Cattle ranchers are slaughtering their yearlings because the cost of feed grain has doubled in the last year and supplies have dried up. Gundlock says that "cattlemen are forced to sell their animals a dime on the dollar to whomever could feed them. The native grass is so high in nitrate that, if animals feed on it, they will die." Similarly, machine dealers, short-line farm producers, feed lot services, and others are shutting down

their businesses. "Western Canada has become a disaster areas," he stressed.

"It would be wrong to look simply at the heat wave as the cause of this," said Gundlock. "The banks won't lend the farmers any money. They are putting the squeeze on us by switching to cash-flow lending only. I believe there is collusion between the banks, the Federal government, and the grain cartel to nationalize farming."

In point of fact, the Crown-owned Farm Credit Corporation (FCC) has been implementing a vicious usury scheme for the last three years to take over farm lands and hold them as a preserve for the Crown. Since 1982, the scheme has been to ensure low commodity prices, shrinking land values (a drop of 50% in one year), and high interest rates (14%) on short-term loans. Since farmers without cash flow cannot get loans, cannot get a decent return on their products, and cannot even sell their land, they walk away and abandon their farms to the FCC. According to the chairman of the FCC, Eliv Anderson, the Crown has been seizing hundreds of farms in the last few years. The FCC acts as an IMF enforcer after the banks cut off their credits.

Bill Hosford, a cattle and grain farmer also from Alberta, told *EIR* that in the last year there were "150 major foreclosures and a few thousand are pending." The Imperial Bank of Commerce has just foreclosed the largest ranch in Canada.

Anderson says he is "forced" to

make farmers pay still higher interest rates. "Our loss increase has to be paid by other farmers who borrow money," he said. So another round of foreclosures is under way which will raise interest rates still higher. Since interest rates are too high to permit any decent return on investment to the farmers, you are damned if you get money and damned if you don't.

Water management and irrigation are a farce in Western Canada. Only one-sixth of southern Alberta's farm land is irrigated, and this is considered the largest irrigated area in the whole of Canada.

"Since there is no on-stream storage and there was practically no spring run off from the mountains, irrigation worked only 31 days out of 120," reported Gundlock. The *Globe and Mail* reported on July 30 that "for practical purposes, all the non-irrigated farmland south of Calgary—an area that produces 44% of Alberta's wheat crop—is very nearly a write-off."

Two weeks short of the next federal election, none of the federal parties have taken on the farm problem except the Party for the Commonwealth of Canada (PCC). Bill Bohdan, a mechanical engineer and candidate for the PCC, is rallying farmers around Lyndon LaRouche's policy for a debt moratorium and parity prices for farmers.

"We must immediately put a stop to all foreclosures pending new credit facilities, and we must rescind all increases in costs for shipping grain across Western Canada," said Bohdan. "The time has come to implement a full-scale water-transfer project to save U.S. and Canadian farming. Unless we implement now the 1977 U.S. Corp of Engineers proposal for the North American Water and Power Alliance (NAWAPA), the world will suffer the biggest food crisis in history."