

more nutritional diet, the Canadian people are eating more per person of the higher priced foods such as fruits and vegetables, meat and eggs and are drinking more milk than they did ten years ago.

While the costs of marketing food between the farmer and the consumer rose 84 p.c. from 1949 to 1958 and food prices rose considerably in that time, non-farm incomes have gone up faster. In fact, these incomes have more than tripled in the past twenty years. Canadians on the average spent only 22.8 p.c. of their 1958 incomes on food compared with 24.4 p.c. in 1949. A week's disposable income in 1958 (for workers in manufacturing industries) would buy 4.1 baskets of food whereas the same week's income in pre-war years (1935-39) would buy only 2.6 baskets of the same foods. Their incomes in 1958 would buy 58 p.c. more food. As a consequence of the increases in the marketing costs of twenty representative foods, Canadian farmers now receive only about 44 cents out of each dollar spent for food by Canadian consumers; in 1951 the farmers' share was 58 cents.

While there have been remarkable advances in the over-all production of agricultural products there are still many farmers with small businesses and low incomes. About 40 p.c. of the farms produce 80 p.c. of the total value of farm production. The problems of the low-income farmers are now receiving much attention by governments and other groups. Part-time farming where the operator obtains most of his income from a non-farm occupation is growing rapidly. More and more families are moving from cities to live in rural areas. Good highways make it possible for the head of the family to drive many miles to town or city employment and in some rural areas there are more non-farm people than farmers.

Besides meeting the domestic food needs of the growing population, Canadian farmers are providing commodities for an increased export trade but, despite these favourable developments in demand, prices of agricultural products have not responded, largely because farm output has been rising faster than the demand at home and abroad.

The technical revolution in agriculture has been the major cause of the production of agricultural commodities beyond the needs of Canadian and foreign buyers. Government price supports have, to a lesser extent, contributed to the development of surpluses of some agricultural products and the existence of surpluses tends to depress market prices of such commodities.

The general trend of agricultural prices has been downward since 1951 while there have been upward trends in non-agricultural prices, in consumer incomes and in business investments. The costs of goods and services required by farmers have increased while agricultural prices have not, which has put the farmers into a situation described as a "cost-price squeeze". As a result of the decline in farmers' net income, Canadian agriculture, in contrast with the buoyant prosperity of many other industries, is in a state of depression. For several reasons it is much more difficult for farmers to move to other lines of work than it is for those in other industries to change their occupations.

The problems of agriculture are not peculiar to Canada. Producers in many countries are experiencing similar troubles. In Canada many programs have been undertaken by the farmers themselves and by farmers in co-operation with governments and international agencies to help solve the existing difficulties of agriculture.

Outlook for Agriculture.—Capital requirements for farming operations will continue to grow in the future with the trend toward larger and fewer commercial farm units. Economies that come from specialized, well-financed and well-managed farms will make it increasingly difficult for the small, poorly managed farms to survive. Management will become a key factor in successful farm operation. Those who cannot develop their farms into economic units will eventually move to industrial occupations and the number of people on farms will continue to decline. The technical advances in agriculture which have been responsible for the production of agricultural products in excess of effective demand will probably delay any rapid improvement in agricultural prices but as population and industrialization in Canada and in food-importing countries continue to advance, as