

Contributions from the federal treasury are limited to 50 p.c. of the administrative costs incurred by the province and 20 p.c. of the amount of premiums paid within the year. In addition, the Federal Government may make loans to any province equal to 75 p.c. of the amount by which the indemnities required to be paid under policies of insurance exceed the aggregate of: the premium receipts for that year; the reserve for the payment of indemnities; and \$200,000. A feature of the Crop Insurance Act is that those who take advantage of an insurance scheme set up under the Act are not eligible for any payments under the Prairie Farm Assistance Act.

Because of its pre-eminence as Canada's most important single crop and leading agricultural export, wheat figures prominently in agricultural policy-making. Under the Canadian Wheat Board Act, all wheat going into commercial channels is marketed through the Wheat Board. Actual selling is done either directly to a buyer for another government or, more commonly, by members of the grain trade acting as agents for the Board.

The prices received by the Wheat Board are determined by competitive conditions in world markets. Payment to producers is made in two stages. An initial payment price is established early in the crop year and this becomes a guaranteed floor price that the grower receives as an interim payment if market conditions warrant it. When the grain is sold a final payment is made, representing the grower's share of any surplus resulting from the sale, less the handling costs. Besides the actual selling, the Wheat Board is responsible for regulating the flow of grain into marketing positions under a quota system. Since supplies exceed the available markets, much of the grain must be stored on farms for varying periods. To offset the hardship that might result, provision is made for the payment of cash advances on farm-stored grain under the Prairie Grain Advance Payments Act proclaimed in 1957.

A further measure of relief for grain growers was provided by means of an acreage payment plan. Under the plan each producer named in a Canadian Wheat Board permit book became eligible to receive a payment of one dollar per cultivated acre listed in his permit book, up to a maximum of 200 acres. Payments were made in 1958 and again in 1960.

For many years, activities connected with the marketing of Canadian grain have been associated with the Department of Trade and Commerce. During 1960, the operations of the Board of Grain Commissioners and the Canadian Wheat Board were transferred to the jurisdiction of the Minister of Agriculture. Thus the grading and marketing of all agricultural products are now unified under the direction of one Minister.

New legislation introduced in 1961 will become an important element in agricultural policy. This is the Agricultural Rehabilitation and Development Act, designed to assist farmers with small or otherwise unprofitable units to add to their incomes through alternative land use or supplementary employment opportunities, and to promote the conservation of soil and water resources. This Act is enabling legislation, authorizing the Government to enter into agreements with provincial governments or agencies for the joint undertaking of: (1) projects for the alternative use of lands classified as marginal or of low productivity; (2) projects for the development of income and employment opportunities for rural agricultural areas; and (3) projects for the development and conservation of soil and water resources of Canada.

Alternative use of land unsuitable for profitable agriculture in Eastern Canada may involve the encouragement of farm woodlots, of tree farming on a more extensive scale or of the development of recreational facilities. In the West, marginal cropping land may be restored to permanent grass through the extension of community pastures. In addition to developing alternative uses for unproductive land, the program envisages the creation of new income opportunities for people in rural areas through the encouragement of local industry and technical training facilities.