

controls the movement of coarse grains to the Lakehead. The private trade is responsible for the movement of oats and barley from Fort William-Port Arthur or Vancouver positions.

The producer receives payment for his wheat, oats and barley in two or three stages. An initial payment price is established early in the crop year by Order in Council. The initial payment price less the cost of handling grain at the local elevator and the transportation costs to the Lakehead or Vancouver is the initial price received by the producer. This price is a guaranteed floor price in that if the Wheat Board, in selling the grain, does not realize this price and the necessary marketing costs, the deficit is borne by the Federal Treasury. However, with very few exceptions, the Wheat Board has operated without financial aid from the Federal Treasury.

After the end of the crop year, but prior to the final payment being made, if the Wheat Board can confidently foresee a surplus accumulating and if authorized by Order in Council, an interim payment is made to producers. This interim payment is the same amount per bushel to all producers of the same grade of grain. When the Board has sold all the grain or otherwise disposed of it in accordance with the Canadian Wheat Board Act, the Board, if authorized by Order in Council, makes a final payment to producers.

Under the Prairie Grain Advance Payments Act, administered by the Board, producers may receive, through their elevator agents, cash advances on farm-stored grain in accordance with a prescribed formula. The purpose of this legislation is to make cash available to producers pending delivery of their grain under delivery quotas established by the Board. Cash advances are interest-free as far as producers are concerned.

Western Canadian producers receive the price for their grain that the Wheat Board receives, less its operating costs including carrying charge, and the general level of prices received by the Board is determined by competitive conditions in world markets. The only subsidy received by the farmer in the Canadian wheat marketing system is the part payment of storage costs for wheat made by the Government of Canada. Under provisions of the Temporary Wheat Reserves Act, the Minister of Finance, out of the Consolidated Revenue Fund, pays to the Wheat Board the storage costs on wheat in storage at the end of the crop year in excess of 178,000,000 bu.

### **Subsection 2.—Controls Over Farm Products Other Than Grain\***

With the growing complexity of agricultural marketing caused by the fact that the producer is more and more becoming a specialist and produces more for marketing off the farm than for his own needs, a substantial and continuing change in the approach to marketing problems is evident.

With the exception of tobacco, little or no attempt at production control has been introduced in Canada, although in some countries this also forms part of a broad program of market control. The methods of control might be summarized as follows, although some of those mentioned may be combined in certain operations: (1) producers may organize co-operative marketing agencies; (2) producers may establish compulsory marketing boards to bargain with groups buying the product for processing or further sale; (3) producers may establish compulsory marketing boards to direct the flow of product and bargain on price; (4) producers may request the Federal Government to establish a government marketing board; and/or (5) producers may request intervention in the pricing system through an offer by the Government to either assist in financing the orderly marketing of the product or in the support of the price of the product in the market-place.

The Government of Canada and provincial governments have, through legislation and in other ways, given marketing aids such as those related to research, education,

\* Prepared in the Economics Division of the Administration Branch, Department of Agriculture, Ottawa. A more detailed statement on this subject, including the history of developments leading to the present situation, appeared in the 1960 Canada Year Book, pp. 961-966.