

the wholesale prices of farm products have risen less than general wholesale prices. The general wholesale index is up by 140 p.c. since prewar compared with a rise of 136 p.c. in the wholesale prices of farm products.

Consumer expenditures on food are a slightly smaller proportion of their total expenditures on all consumer goods and services than they were before World War II—23 p.c. compared with 25 p.c. in 1935-39. Rising consumer income coupled with a smaller proportionate rise in food costs have left a greater proportion of consumer income for expenditures other than food.

**Food Exports.**—Canada is one of the major food exporting countries of the world. Cereals, cereal products, seeds, purebred livestock, livestock products, fruits and vegetables make up the bulk of the exports of agricultural products which are valued at over \$1,000,000,000 annually, almost one fifth of Canada's total export trade. Wheat displaced newsprint in 1963 as the leading export item for the first time since 1952 and the record export sales of wheat and wheat flour provided a strong impetus to the economy. Purchases of new automobiles and equipment by farmers showed a sharp upswing.

**Farm and Non-farm Incomes.**—Realized net income from farming in 1963 totalled \$1,410,000,000, not a record but equal to \$3,056 per farm and the second highest average ever reached; in 1962 the average was \$3,170. In addition, farm family workers derived income from non-farm sources. Real income per farm family worker, that is, income in terms of constant dollars, was 24 p.c. higher in the three-year period 1961-63 than in 1951-55. By contrast, real wages of factory production workers rose 25 p.c. over the same period of time. The rate of expansion of output in the postwar period in manufacturing was 3.9 p.c. annually compared with slightly more than 1 p.c. for agriculture. The higher rate of industrial over agricultural growth provided the economic incentive for the larger rise in real incomes in manufacturing.

**Agricultural Research.**—Biological and physical research in agriculture is undertaken extensively by the federal Department of Agriculture, by the universities and, on a more modest basis, by various provincial departments of agriculture, research councils, foundations and industries. At least 80 p.c. of all agricultural research is either done or provided with support by the federal Department of Agriculture. Without this program of research, Canadian agriculture could not have developed to its present level of efficiency.

A new development in 1962 was the founding of the Agricultural Economics Research Council of Canada to provide new knowledge and ideas in the interests of sound economic development. Its single objective is to strengthen the industry by the development of a long-range independent research program in the social sciences applicable to agriculture. Two studies to be undertaken by the Council are (1) an analysis of the objectives of government agricultural policy and (2) a study of the feed freight assistance program. The Council is financed by grants from the federal and provincial governments, from farm organizations and co-operatives, and from business and industry associated with agriculture.

## Section 1.—Federal Government in Relation to Agriculture\*

The federal Department of Agriculture dates from Confederation. It was established in 1867 as an outgrowth of a Bureau of Agriculture set up in 1852 by an Act of the Legislature of the Province of Canada. The Department derives its authority from the British North America Act, 1867, which states in part that "in each province, the legislature may make laws in relation to agriculture in the province" and that "the Parliament of Canada may from time to time make laws in relation to agriculture in all or any of the provinces;

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