

to a fair share of the national income. Consequently, the Canada Department of Agriculture has carried on long-term programs designed to aid agriculture through the application of scientific research and the encouragement of improved methods of production and marketing. Over the years, as conditions have warranted, programs have been initiated to deal with special situations such as mitigating the effects of crop failure, assisting the movement of western feed grains to eastern Canada and British Columbia, reclaiming soil in the Maritime Provinces and combating drought in the agricultural areas of Manitoba, Saskatchewan and Alberta.

Although much has been accomplished and is still being accomplished by these measures, changes in the past two decades have dictated the need for a different approach to some problems. Large-scale mechanization and, in some segments of the industry, automation, have reduced manpower requirements very significantly; the number of farms has declined but the size of farms has increased; marketing and income problems have taken different forms; and a decline in some rural communities has occurred together with problems of increasing regional disparity. Legislation enacted to meet these situations includes price support (Agricultural Stabilization Act), dairy market and producer income stabilization (Canadian Dairy Commission Act), crop insurance (Crop Insurance Act), feed grain assistance (Livestock Feed Assistance Act), credit facilities (Farm Credit Act, Farm Syndicates Credit Act, Farm Improvement Loans Act), marketing assistance (Canada Grain Act, Agricultural Products Board Act, National Farm Products Marketing Council) and other forms of assistance to meet emergency or long-term conditions (Prairie Farm Assistance Act, Prairie Grain Advance Payments Act, Agricultural and Rural Development Act and Prairie Farm Rehabilitation Act). All these measures are administered by the Canada Department of Agriculture or by organizations responsible to the Minister except the Farm Improvement Loans Act (Department of Finance), Prairie Grain Advance Payments Act (Department of Industry, Trade and Commerce) and the ARDA and PFRA programs (Department of Regional Economic Expansion).

The Canadian Grain Commission was established in 1971 under the Canada Grain Act replacing the former Board of Grain Commissioners for Canada. For more detailed information on this Commission see Section 11.8.1.2.

The Agricultural Stabilization Board, established in 1958 by the Agricultural Stabilization Act which at the same time repealed the Agricultural Prices Support Act, 1944, is empowered to stabilize the prices of agricultural products in order to assist the agricultural industry in realizing fair returns for labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of goods and services that they buy.

The Act provides that, for each production year, the Board must support, at not less than 80% of the previous ten-year average market or base price, the prices of nine commodities: cattle, hogs and sheep; butter, cheese and eggs; and wheat, oats and barley produced outside the prairie areas as defined in the Canadian Wheat Board Act. Other commodities may be supported at such percentage of the base price as may be approved by the Governor in Council. Since the Act came into force, the following farm products, other than the nine named commodities, have been supported at one time or another: honey, potatoes, soybeans, sunflower seeds, sugar beets, apples, peaches, wool, fowl, blueberries, rutabagas, carrots, sour cherries, raspberries, asparagus, tomatoes, milk for manufacturing, casein, cream, fluid milk, fluid cream, and skim milk powder. The Board may stabilize the price of any product by an offer-to-purchase, by a deficiency payment, or by making such payment for the benefit of producers as may be authorized.

In stabilizing prices of certain commodities by means of assistance payments, the price stabilization program has been assisting the agricultural industry to make production adjustments from a position of excessive supply to one of more normal relationship between supply and demand. During the period of adjustment, the Board guarantees a minimum average return to producers for their product on a national average basis.

The cost of stabilization programs under the Act has averaged approximately \$85.5 million a year. The Board has available a revolving fund of \$250 million, according to the Act; losses incurred are made up by Parliamentary appropriations and any surplus is paid back to the Consolidated Revenue Fund. An advisory committee named by the Minister of Agriculture and composed of farmers or representatives of farm organizations assists the Board in its operations.