

The federal capital gains tax on farms passing from one generation to the next was removed and the capital gains tax on quotas modified. Under other tax amendments a livestock producer may now count a change in his herd size as a change in inventory.

11.2 Federal government services

The Canada Department of Agriculture dates from Confederation in 1867. It was established as an outgrowth of the Province of Canada's Bureau of Agriculture, which was set up in 1852. The Department's authority lies in the British North America Act, 1867, which states, in part, "in each province, the legislature may make laws in relation to agriculture in the province" and "the Parliament of Canada may from time to time make laws in relation to agriculture in all or any of the provinces; and any law of the legislature of a province relative to agriculture, shall have effect in and for the province as long and as far as it is not repugnant to any Act of the Parliament of Canada".

A Department of Agriculture with a Minister of Agriculture at its head was accordingly established as part of the Government of Canada, and departments of agriculture headed by provincial Ministers were also set up by the provincial governments. In the Yukon Territory and Northwest Territories, agriculture is of little importance.

11.2.1 Canada Department of Agriculture

Activities of the Canada Department of Agriculture (CDA) cover three broad areas: research, promotional and regulatory services and assistance programs. Research aims at solving practical farm problems by applying fundamental scientific research to all aspects of soil management, agricultural engineering, and crop and animal production. Promotional and regulatory services attempt to control and eradicate crop and livestock pests and register chemicals and other materials used for these purposes. Also included are inspection and grading of agricultural products and the establishment of crop and livestock improvement policies. Assistance programs cover some of the sphere of price stability, emergency relief, crop insurance, compensation, and income security in the event of crop failure.

The Department has seven branches: Research, Production and Marketing, Health of Animals, Economics, Food Systems, Financial and Administration, and Personnel Administration. Its organization also includes the Canadian Grain Commission, Crop Insurance Division and Prairie Farm Assistance Administration. In addition, there are a number of agencies that are independent of, but closely allied with, the Department and are responsible to the Minister of Agriculture. These include the Agricultural Stabilization Board, Agricultural Products Board, Canadian Dairy Commission, Canadian Livestock Feed Board, Farm Credit Corporation and National Farm Products Marketing Council.

The Research Branch is responsible for research on agricultural production problems although some phases of research are carried on by the Economics Branch, the Health of Animals Branch and the Grain Research Laboratory of the Canadian Grain Commission. The activities of the Branch are carried out at 26 Research Stations, 11 Experimental Farms, six Research Institutes, three Research Services, and at a number of substations and project farms in all 10 provinces. General direction and co-ordination of the program are provided by headquarters of the Branch, located in Ottawa. Approximately 900 professional staff are employed, representing all the biological and physical sciences that contribute to the solution of agricultural production problems.

With the increasing complexity of modern agricultural production and competitive pressures, efficiency and reduced cost per unit of production become increasingly important. Therefore emphasis in the research program continues to be on development of improved varieties of plants and animals, on production practices that will maximize yields and reduce costs and on methods of controlling insects, diseases and weeds.

Through the years Research Branch scientists have produced new varieties of cereal, forage and horticultural crops to meet new market requirements and reduce the hazards of production. The search continues for even better material to overcome the limiting factors of a northern climate including a short growing season, frost hazards, drought, insect pests and diseases. At the same time, efforts are being made to develop plants that will respond favourably to long days and the high light-intensity of many parts of Canada. As an aid to determining the effects of climate on crops and providing a basis for forecasting the possibilities of success with