GENERAL AGREEMENT

ON TARIFFS AND TRADE

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CANADA

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I. GENERAL PROGRAMMES

1. Special Agricultural Income Assistance Programme (1990)

(a) Nature and extent of the payments

(i) Background and authority

The programme was approved under the authority of Section 5 of the Department of Agriculture Act. It provided only one federal contribution of almost $500 million to provinces contingent upon matching provincial funds. The purpose of the programme was to provide financial assistance through Federal-Provincial initiatives for the benefit of producers who had experienced dramatic income drops. These payments were in response to successive years of poor returns in grains and oilseeds, horticulture and other commodities. It was anticipated that the 1990 net cash income of the grains and oilseeds sector would decline by 55 per cent compared to 1989. Horticultural and other commodities were facing similar, though less serious, financial difficulties.

(ii) Incidence

The programme offered aid based on provincial participation. It also included structural measures, changes in Farm Debt Review Fund regulations, credit relief and contributions to crop insurance.

(iii) Amount of payment

Federal contribution amounted to $486.4 million during fiscal year 1990-91.

(b) Effect of the programme

The programme helped to stabilize producers' incomes in the short-term against unusual financial difficulties. The existing stabilization programmes had not provided an adequate cushion against the acute problems producers faced in the marketplace at that time.

2. Canadian Agricultural Market Development Initiative (CAMDI)

(a) Nature and extent of the contribution

(i) Background and authority

CAMDI resulted from the amalgamation, into one programme, of the various grant and contribution programmes, including the former Fruit and Vegetable Storage Construction Financial Assistance Programme and the Canadian Agricultural Market Development Fund. The establishment of one "new" programme was intended to ensure greater flexibility and responsiveness of the initiative to industry needs, and to increase operating efficiency. The CAMDI terms and conditions were in effect up to 31 March 1990.

(ii) Incidence

Projects which were eligible for CAMDI funding included:

(A) Commercial and technical feasibility studies and market identification projects.

(B) Development projects which could have included a broad range of marketing initiatives in the areas of promotion, transportation, facilities, distribution, and product/process development, involving new or improved food products or processes which would have led to increased sales.

(C) Canadian capability projects which aimed to establish a required technical, production or marketing ability or skill then unavailable in Canada.

(iii) Amount of the contribution

Funding was provided up to 50 per cent of eligible project costs, to a maximum of $250,000 annually or $750,000 over the life of the initiative. Where there was more than one source of government assistance, the level of support from all federal sources could not exceed 50 per cent of eligible costs, nor could support from all government sources (provincial and federal) exceed 75 per cent of eligible costs.

(iv) Estimated contributions per unit

Actual levels of assistance offered were often lower than the maximum 50 per cent rate and, on average, were less than $50,000 over the life of the project. In fiscal year 1988-89, $834,727 was committed towards 36 projects, for an average contribution of $23,187 per project. In 1989-90, $2,197,219 was committed towards 36 projects, for an average contribution of $51,098 per project.

(b) Effect of the programme

The CAMDI facilitated improvements in the marketing of Canadian agricultural and food products by providing financial assistance for selected projects concerned with market development for traditional and new or improved projects in both established and new markets.

3. Canadian Agri-Food Development Initiative (CAFDI)

(a) Nature and extent of contribution

(i) Background and authority

The Canadian Agri-Food Development Initiative (CAFDI) is the consolidation of the former Production Development Assistance Initiative (PDAI), including the Crop Development Fund (CDF), and the Canadian Agricultural Market Development Initiative (CAMDI) which were in effect from 1 April 1985 to 31 March 1990. CAFDI is a financial contribution programme administered by the Market and Industry Services Branch (MISB). It operates under Terms and Conditions approved by Treasury Board on 28 September 1989 and amended on 10 April 1992. The programme came into effect in 1990-91 and will expire 31 March 1995.

(ii) Incidence

Projects eligible for CAFDI funding include:

(A) Market Development projects which promote market opportunities for Canadian food and agricultural products. As well, projects that encourage cost saving and other improvements to the marketing system for the Canadian agri-food industry.

(B) Production and Processing Development projects which assist in the effective evaluation of new crops and crop varieties, and livestock and poultry production technologies in Canada. Also, projects which accelerate the commercial adoption of new agricultural production technologies, and contribute to the development of sustainable agriculture in Canada.

(C) Human Resources Development projects which enhance the long-term viability of the agri-food industry through the development and training of its human resource base.

(iii) Amount of the contribution

Funding may be provided up to 50 per cent of eligible project costs to a maximum of $250,000 a year or $750,000 over the project's duration. Maximum government assistance may not exceed 50 per cent from all federal sources nor 75 per cent from all government sources combined.

(iv) Estimated contribution per unit

Actual levels of assistance are usually less than $250,000 per year and $750,000 over the life of each project. In fiscal year 1990-91, $1,788,865 was committed towards 111 projects. In 1991-92, $1,669,168 was committed towards 103 projects, averaging about $16,000 per project with funding ranging up to $150,000. Generally, contributions are in the $5,000.00-$50,000.00 range.

(b) Effect of the programme

The CAFDI encourages economic development in the Canadian agri-food sector by providing financial assistance for selected projects which contribute to improved competitiveness, more market responsiveness and greater self-reliance in the agri-food sector. The CAFDI encourages national policies which reflect regional diversity and sustainable agricultural practices.

4. Farm Income Protection Act Revised Statutes Canada Chapter 22 (1991)

(a) Nature and extent of the programme

(i) Background and authority

The Farm Income Protection Act (FIPA) provides income stabilization for farmers across Canada. It took effect 1 April 1991. FIPA reflects a collective government-industry effort to create an integrated safety net for farmers.

(a) a net income stabilization account programme (NISA);

(b) a gross revenue insurance programme (GRIP);

(c) a revenue insurance programme (eg: National Tripartite Stabilization Programme (NTSP));

(d) and a crop insurance programme.

Collectively these programmes offer complementary protection for the agricultural industry. These programmes are guided by the following principles:

(i) market neutrality,

(ii) equity among commodities and recognition of regional diversity,

(iii) long-term social and economic sustainability of farm families,

(iv) consistency with international obligations,

(v) long-term economic and environmental sustainability.

FIPA reflects a tripartite approach to risk protection. The FIPA programmes are managed in conjunction with the federal government, provinces and producers. By virtue of their tripartite nature, the programmes share many common characteristics such as shared responsibility for financial contributions, policy and programme development.

These programmes:

- stabilize farmer incomes through market risk or yield protection,
- are tripartite in that they are cost shared by producers, provincial and federal governments,
- are national, not regional in scope,
- are voluntary with farmers, who may sign up for any, all, or a combination (except for producers subject to NTSP agreements),
- are established through federal-provincial agreements,
- are administered and funded through Agriculture and Agri-food Canada and the Consolidated Revenue Fund at the national level,
- promote equity among regions and producers,
- address short-term production and market risks while permitting farmers to adjust to long-term price and market trends.

Products covered by FIPA account for 90 per cent of all farm production, in terms of number of products, about 73 per cent of the value of farm production, measured by farm cash receipts, and over 99 per cent of Canada's seed acreage.

(b) Effect of programme

FIPA calls for these various complementary agreements in order to create a comprehensive risk protection programme. The use of several components is necessary because the diversity of products, prices, costs, markets, cycles and data collection capabilities within the agricultural sector make it difficult to stabilize farm income through any single method.

5. Net Income Stabilization Account Programme

(a) Nature and extent of programme

(i) Background and authority

Under the authority of the Farm Income Protection Act, the Net Income Stabilization Account (NISA) programme was established to assist producers in stabilizing their farming income. Producers reporting net sales of grains, oilseeds, special crops, edible and non-edible horticulture, honey and ranch furs were eligible to participate in NISA. The commodities eligible for contribution were province specific. The programme is ongoing.

(ii) Incidence

Participants annually deposit 2 per cent of their eligible net sales into their own individual stabilization account. Participants' deposits are matched by contributions from the federal and provincial governments at 1 per cent each. Producer participation is voluntary.

Producer withdrawals from their accounts are allowed if their current year gross margin declines relative to their average margin for the previous five year period. Also, withdrawals are allowed if their net income is below a minimum threshold of $10,000 (or $20,000 for a family).

(iii) Amount of payment

These amounts represents payments into producer's NISA accounts for the identified tax year:

Stabilization year	Contributions ($ million)	
	Federal	Provincial
1990	$87.3	$75.5
1991	$66.3	$59.8
1992	$64.8	$63.3

(iv) Payment per unit

Payments per Account ($/account)	
Stabilization year	
1990	$989
1991	$883
1992	$969

(b) Effect of the programme

The programme allows producers the opportunity for long-term farm income stabilization. The programme reduces the potential impact of varying income levels resulting in the misallocation of resources.

II. LIVESTOCK AND PRODUCTS

A. DAIRY PRODUCTS

1. Agricultural support for dairy products

(a) Nature and extent of the programme

(i) Background and authority

The Federal Government supports the price received by dairy farmers through an offer to purchase programme complemented by dairy subsidy. A government agency, the Canadian Dairy Commission, supports the price of industrial milk through offering to purchase butter and skim milk powder at a price in combination with a direct payment sufficient to maintain the target return set for dairy farmers. The Agriculture Stabilization Board made a direct subsidy of $6.03/hectolitre for industrial milk produced within the Domestic Market Sharing Quota for 1991-92. Milk production in Canada is restricted through farm level production quotas. The national supply management system for industrial milk is governed by a joint federal/provincial agreement administered by the Canadian Dairy Commission.

In July 1990, the Minister of Agriculture gave the Canadian Dairy Commission the mandate to establish dairy target and support prices for 1 August 1990 and 1 February 1991, after receiving advice from its Consultative Committee. Prior to 1 August 1990, federal cabinet determined these prices. This new authority has been extended to the 1991-92 dairy year.

(ii) Incidence

Federal dairy support policy consists of supporting the market prices of butter and skim milk powder through an offer-to-purchase programme and making direct payments under a quota system to farmers for milk and cream used for the manufacture of industrial dairy products.

(iii) Amount of payment

For 1991-92, the amount of direct subsidy payments by the CDC on industrial milk and cream, was set at a rate of $6.03 per hectolitre of milk measuring 3.6 kilograms of butterfat for a total payout of:

Dairy year	($ million)
1988-89	279.593
1989-90	265.795
1990-91	254.286
1991-92	238.280

(iv) Support prices:

Support prices ($/kg.)	Butter	Skim milk powder
1988-89	5.102	3.013
1989-90	5.167	3.046
1990-91	5.331	3.130
1991-92	5.331	3.304

(b) Effect of programme

The fundamental objectives of the Canadian dairy support programme are to provide efficient milk producers with the opportunity to obtain a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of high quality dairy products.

B. LIVESTOCK AND MEAT PRODUCTS

1. National Tripartite Stabilization Programme for Lambs

(a) Nature and extent of the programme

(i) Background and authority

See Section I-4.

(ii) Incidence

Support levels are set at a percentage of the Indexed Moving Average Price (IMAP). The IMAP is the national average market price of lamb, in the same quarter, in the preceding 10 years, adjusted to account for inflation and changes in feed costs.

(iii) Amount of the payment (total)
($'000)

1988	403
1989	1,527
1990	2,787
1991	3,269
1992	435

(iv) Payment for unit (total)
($/Head)

1988	Q1	0.00
	Q2	0.00
	Q3	6.83
	Q4	12.59
	Q5	12.58*
1989	Q1	9.02
	Q2	10.00
	Q3	9.34
	Q4	17.79
1990	Q1	12.86
	Q2	15.53
	Q3	17.87
	Q4	20.44
1991	Q1	23.37
	Q2	12.33
	Q3	18.78
	Q4	18.39
1992	Q1	6.17
	Q2	2.43
	Q3	0.97
	Q4	0.00

*(N.B. The fifth quarter appears due to a change in the calculation of the lamb year).

(b) Effect of the programme

Payments help stabilize producers' income by reducing the impact of short-term disruptions in market conditions.

2. National Tripartite Stabilization Programme for Hogs

(a) Nature and extent of the programme

(i) Background and authority

See section I-4

(ii) Incidence

The support level is equal to the estimated national current cash costs of production in the quarter plus a percentage of the difference (margin) between these cash costs and the national average market price of hogs in the same quarter for preceding years. This is called the guaranteed margin approach.

(iii) Amount of the payment (total)
($'000)

1988	131,562
1989	450,244
1990	39,817
1991	121,771
1992	144,640

(iv) Payment for unit (total)
($/Head)

1988	Q1	3.14
	Q2	0.00
	Q3	23.53
	Q4	37.08
1989	Q1	38.24
	Q2	36.27
	Q3	33.14
	Q4	16.45
1990	Q1	9.67
	Q2	0.00
	Q3	0.00
	Q4	1.12
1991	Q1	0.00
	Q2	0.00
	Q3	16.55
	Q4	18.98
1992	Q1	12.58
	Q2	14.63
	Q3	13.77
	Q4	0.00

(b) Effect of the programme

Payments help stabilize producers' income by reducing the impact of short-term disruptions in market conditions.

3. National Tripartite Stabilization Programme for Cattle

(a) Nature and extent of the programme

(i) Background and authority

See section I-4

(ii) Incidence

The support level for slaughter/feeder cattle is equal to the estimated national current cash costs of production in the quarter plus a percentage of the difference (margin) between these cash costs and

the national average market price of slaughter/feeder cattle in the same quarter for the preceding five years. This is called the guaranteed margin approach.

Support levels for cow-calf are set at a percentage of the Indexed Moving Average Price (IMAP). The IMAP is the national average market price of feeder calves in the preceding ten years adjusted to account for inflation.

(iii) Amount of payment (total)
($/Head)

	Feeder	Slaughter	Cow/Calf
1988	2,336	94,268	0
1989	2,706	51,628	0
1990	669	4,107	0
1991	1,852	124,680	0
1992	7,287	18,045	0

(iv) Payment per unit (total)
($/Head)

		Feeder	Slaughter	Cow/Calf
1988	Q1	0.00	37.91	0.00
	Q2	0.00	42.45	0.00
	Q3	32.79	100.95	0.00
	Q4	38.56	87.92	0.00
1989	Q1 Jan.	0.00	17.09	0.00
	Feb.	0.00	3.02	0.00
	Mar.	3.96	0.00	0.00
	Q2 Apr.	16.62	44.50	0.00
	May	23.68	59.83	0.00
	Jun.	9.32	68.58	0.00
	Q3 Jul.	0.00	49.30	0.00
	Aug.	0.00	10.28	0.00
	Sep.	1.65	17.35	0.00
	Q4 Oct.	0.00	12.93	0.00
	Nov.	0.00	29.21	0.00
	Dec.	0.00	5.16	0.00

		Feeder	Slaughter	Cow/Calf
1990	Q1 Jan.	0.00	0.00	0.00
	Feb.	0.00	0.00	0.00
	Mar.	11.45	11.96	0.00
	Q2 Apr.	0.00	0.00	0.00
	May	0.00	10.23	0.00
	Jun.	0.00	0.00	0.00
	Q3 Jul.	0.00	0.00	0.00
	Aug.	0.00	0.00	0.00
	Sep.	0.00	0.00	0.00
	Q4 Oct.	0.00	0.00	0.00
	Nov.	0.00	0.00	0.00
	Dec.	0.00	0.00	0.00
1991	Jan.	0.00	0.00	0.00
	Feb.	0.00	0.00	0.00
	Mar.	0.00	0.00	0.00
	Q2 Apr.	0.00	0.00	0.00
	May	0.00	0.00	0.00
	Jun.	0.00	0.00	0.00
	Q3 Jul.	0.00	33.68	0.00
	Aug.	0.00	98.09	0.00
	Sep.	0.00	131.06	0.00
	Q4 Oct.	11.44	137.53	0.00
	Nov.	51.59	189.67	0.00
	Dec.	55.34	132.86	0.00
1992	Q1 Jan.	68.01	90.25	0.00
	Feb.	54.13	17.13	0.00
	Mar.	31.35	0.00	0.00
	Q2 Apr.	2.60	0.00	0.00
	May	0.21	0.00	0.00
	Jun.	0.00	0.00	0.00
	Q3 Jul.	0.00	0.00	0.00

		Feeder	Slaughter	Cow/Calf
	Aug.	0.00	0.00	0.00
	Sep.	0.00	0.00	0.00
	Q4 Oct.	0.00	0.00	0.00
	Nov.	0.00	0.00	0.00
	Dec.	0.00	0.00	0.00

(b) Effect of the programme

Payments help stabilize producers' income by reducing short-term price shocks.

4. Feed Freight Assistance Programme

(a) Nature and extent of the programme

(i) Background and authority

Under this programme, the Federal Government pays a portion of the transportation costs incurred in shipping feed grains to users in feed deficit areas of British Columbia, the Yukon, Northwest Territories and parts of Eastern Canada. This programme is administered by the Livestock Feed Bureau, Grains & Oilseeds Branch, Agriculture Canada.

(ii) Incidence

The freight assistance rates are set for various zones or regions based upon the weighted average cost of transportation over the least cost route.

(iii) Amount of the payment

Expenditures on feed grains freight assistance were $18.2 million in the 1988-89 crop year on 1.9 million tonnes of grain; $16.6 million in 1989-90 on 1.5 million tonnes; $16.6 million in 1990-91 on 1.4 million tonnes of grain; $17.7 million in 1991-92 on 1.4 million tonnes of grain and $17.5 million in 1992-93 to transport 1.4 million tonnes of grain.

(iv) Estimated payment per unit

During the 1989-90 crop year, the average expenditure was $10.97 per tonne shipped under the programme; during the 1989-90 crop year it was $10.31; during the 1990-91 crop year, it was $11.82 per tonne. The average expenditure per tonne shipped was $12.27 in 1991-92 and $12.25 in 1992-93.

(b) Effect of the programme

The feed freight assistance programme reduces the freight cost of transporting feed grains to eligible areas.

5. Atlantic Livestock Feed Development Initiative

(a) Nature and extent of programme

(i) Background and authority

The initiative was approved under the authority of Section 5 of the Department of Agriculture Act and Subsection 6(2) of the Government Organization Act, Atlantic Canada, 1987.

The Agreement was designed to promote the development of the livestock feed industry in the Atlantic provinces and to assist them to achieve livestock feed self-sufficiency.

The Agreement included a number of programmes which were designed to:

- increase the quantity and quality of livestock and poultry feed produced in the provinces;
- promote the development and production of new and/or improved feeds;
- improve feed production, processing and utilization systems;
- improve producers' technical and managerial skills related to feed production.

The agreement was administered by a joint federal/provincial management committee, assisted by an implementation committee for each programme. The funding ration was an 80/20 federal, provincial commitment.

The programme terminated at the end of fiscal year 1993-94.

(ii) Incidence

Applications were made throughout the term of the agreement and reviewed for eligibility purposes on a regular basis over the life of the Agreement. Payments were made in the form of a contribution when project approval was given.

(iii) Amount of payment

Fiscal year	Federal funds ($'000)
1988-89	7,800
1989-90	7,385
1990-91	8,887
1991-92	4,951

As stated earlier these funds were distributed in the form of Contributions.

(iv) Payment per unit

Not applicable. (Not all projects were on-farm.)

(b) Effect of the programme

The overall effect of the programme was to improve the quantity and quality of feed production.

6. Special Atlantic Livestock Initiative

(a) Nature and extent of the programme

(i) Background and authority

At the Federal/Provincial Ministers' and Deputy Ministers' meeting at Prince Albert in August 1989, special assistance of $6.0 million was agreed to as a temporary support measure to assist hog, sheep and beef producers in Atlantic Canada experiencing financial difficulty.

The programme is no longer active.

(ii) Incidence

Hog producers received support for all weaners and hogs marketed and indexing 100 and above on backfat, between 1 April 1989 and 31 March 1990. Beef producers received support on all carcasses grading A1, A2 and/or beef feeder cattle and replacement heifers marketed in 1989 from a beef cow/calf herd. Sheep producers received assistance for market lambs and/or breeding stock that were both less than one year of age and marketed in 1989.

(iii) Amount of payment

Total Payment* ($'000)			
Fiscal year	Hog	Beef	Sheep
1989-90	1,424	899	0
1990-91	2,040	674	120
1991-92	256	292	44

*Including grants and contributions.

(iv) Amount per unit

Hog producers received $1.77 per eligible weaner marketed and $2,66 per eligible feeder marketed between 1 April 1989 and 31 March 1990. Beef producers received $37.19 per eligible feeder marketed from a beef cow/calf herd, and/or $37.19 per eligible carcass grading A1 and A2 from a feed lot. Beef producers raising an animal from a beef cow/calf herd through to slaughter received $49.64 per eligible carcass grading A1 and A2. Sheep producers received $13.97 per eligible market lamb of breeding stock.

(b) Effect of marketing programme

The effect of the initiative was to assist hog, sheep and beef producers experiencing financial difficulty.

7. Livestock Drought Assistance Programme (LDAP)

(a) Nature and extent of the programme

(i) Background and authority

Under the Authority of the Prairie Farm Rehabilitation Act (PFRA), the Livestock Drought Assistance Programme was used to provide financial assistance to livestock producers within a drought affected area so that these producers could avoid a reduction of their breeding herds. unusually low winter and spring precipitation combined with unusually hot spring resulted in severe reductions in pasture and forage yield. Approximately 70 per cent of prairie livestock were in drought affected areas. A federal-provincial coordinating committee recommended the programme to provide assistance to producers to help them maintain their breeding herd numbers.

(ii) Incidence

The Livestock Drought Assistance Programme (LDAP) provided $112 million ($65 million Federal share) in direct payments to help livestock producers maintain their breeding stock. PFRA was responsible for administering LDAP in Manitoba and Saskatchewan and for assisting with programme administration in British Colombia, Alberta and Ontario. LDAP was funded equally by Canada and the provinces. Payment levels were calculated on a regional basis in each province. Payment rates in each region were determined on the basis of 1988 forage yields compared to normal for the area. crop Insurance and other available data were used to make the determinations. Payments were pro-rated based on land locations where the producer normally produced forage, or if forage was mostly purchased, where his/her cattle were wintered.

Eligible animals were bred cows and heifers for both beef and dairy operations, bred ewes and nanny goats, mares and fillies as well as herd sires. Elk females were also eligible in Saskatchewan.

An initial and final payment system was used for this programme. Maximum payments were $60,000/head for cattle, horses, and bison, and $12/head for sheep, goats and elk. Minimum payments were $5/head for cattle, horses and bison, and $1/head for sheep, goats and elk.

Final payments were contingent on producers enroling in forage insurance programmes.

(iii) Amount of payment

The Livestock Drought Assistance Programme (LDAP) provided two payments to livestock producers in drought-stricken areas to help them maintain their breeding stock. The first one was in the 1988-89 fiscal year and the second one in the 1989-90 fiscal year.

Provinces	Applicants paid	Eligible animals	Federal contributions	
			1988-89 ($'000)	1989-90 ($'000)
British Colombia	139	*	632	238
Alberta	13,820	1,194,057	12,824	10,532
Saskatchewan	19,529	997,858	14,282	11,774
Manitoba	8,685	498,810	5,464	4,794
Ontario	14,415	756,799	2,225	1,889
Total	56,588	3,447,524	35,428	29,218

*In British Colombia, payment was based on the lesser of eligible animal or tons of feed purchased.

(iv) Payment per unit

Not applicable. This programme paid out differing amounts, varying by region and species of animal. An average payment would not only be meaningless but also misleading. For the same reason, average payments made to producers, cannot be compared by province because of differing degrees of hurt, and mix of species.

(b) Effect of the programme

The most significant impact of the programme was the retention of the breeding herd in the drought areas. Farmers had to keep their breeding herds to qualify for programme payments. The payments helped to pay for needed feed or new supplies for their herds.

III. CROPS AND PRODUCTS

A. GENERAL

1. Advance Payments for Crops Act (APCA)

(a) Nature and extent of the programme

(i) Background and authority

The Advance Payments for Crops Act (APCA) is a voluntary programme enacted in 1977. It applies to all storable crops grown in Canada, except wheat, oats and barley grown in the Canadian Wheat Board designated area (oats were removed 1 August 1989). It provides guarantees and funds the interest on loans when eligible producer organizations make advance payments to participants. These advances were interest-free up to the 1989-90 crop year. They are based on a maximum of 50 per cent of expected market prices. Advances are repaid when the crops are marketed. The advances provide producers with flexibility to defer marketing to more favourable times.

The programme is administrated by Agriculture and Agri-Food Canada and various producer organizations across Canada, which sign an agreement to establish a line of credit with a lending institution to fund the advances. The interest-free aspect of APCA was removed fro the 1989-90 crop year, and the advances became interest-bearing at commercial rates.

Agriculture and Agri-Food Canada guarantees repayment of 98 per cent of the amount a producer organization borrows from a bank and pays the interest (except for the 1989-90 crop year) on the bank loans made in accordance with the Act. Agriculture and Agri-Food Canada also prescribes the rate of advance per unit of crop and determines the maximum guarantee.

(ii) Incidence

During 1988-89, advance payments were available to producers of potatoes, carrots, rutabagas, onions, cabbage, apples, pears, sunflower seeds, oats, corn, barley, honey, rye, tobacco, soybeans, canola, alfalfa seed, leeks, and flax.

(iii) Cost of the APCA

Total Interest Costs ($ million)	
Crop year	
1988-89	$11.2
1989-90	$0.0
1990-91	$11.2
1991-92	$8.3

(iv) Cost per participating producer

Interest Costs per Participating Producer	
Crop year	
1988-89	$1,160
1989-90	$0
1990-91	$1,125
1991-92	$767

(b) Effect of the programme

The programme supports orderly marketing by providing cash flow for producers at harvest time, thereby reducing pressure to market until supply and demand are better balanced.

2. Crop Insurance

(a) Nature and extent of the programme

(i) Background and authority

The Crop Insurance Act of 1959, revised in 1990, enabled the Federal Government to enter into an agreement with any province to make contributions towards the premium, or the premium and the administration costs of that province's insurance scheme. Risk-sharing arrangements could also be made by way of loans or reinsurance of part of the province's liability whenever indemnities greatly exceeded premiums and reserves. In April 1991 the Farm Income Protection Act (FIPA) received Royal Assent. As a result, the Crop Insurance Act was revoked and the crop insurance programme is now covered under FIPA as a component of an integrated safety net system.

(ii) Incidence

In 1988-89 shared cost agreements were operative with all ten provinces. The programmes operated on a joint basis with producers, provincial governments and the Federal Government sharing the cost of operating the programmes. In Quebec and Newfoundland the Federal and Provincial Governments each paid 25 per cent of the total premium and shared the cost of administering the programme. The producers paid the remaining 50 per cent. In all other provinces, farmers and the Federal Government each paid one half of the insurance premium and the provincial governments absorbed the administration costs. The 1990 amendments provided for a single cost sharing formula allowing for each level of government to contribute 25 per cent of the crop insurance premium and an equal sharing of the administration costs.

Farmers paid 50 per cent of the premium costs.

(iii) Amount of the payment

See section III-A 5. (a) (iii)

(iv) Payment per unit

See section III-A 5. (a) (iv)

(b) Effect of the programme

Crop Insurance stabilized a farmer's income by moderating the economic effects of crop losses caused by natural events. Producers and governments pay premiums into crop insurance accounts. Payouts are based on a farmer's average crop yield and are triggered when a farmer suffers a yield loss due to a covered hazard. FIPA authorizes crop insurance agreements. The producer share of crop insurance premiums is 50 per cent and the Federal and Provincial Government shares are each 25 per cent under both crop insurance agreements and the crop insurance option of GRIP.

3. Farm support and adjustment measures

(a) Nature and extent of the programme

(i) Background

In April 1991, the Farm Support and Adjustment Measures I was announced providing financial assistance to producers of grains and oilseeds, special crops and horticulture. FSAM provided additional income and cash flow stability to producers through initiatives that complemented the safety net programmes, encouraging greater producer participation in the Gross Revenue Insurance Programme (GRIP), the Net Income Stabilization Account Programme (NISA).

The FSAM II initiative was announced in October 1991, to provide financial assistance to producers of grains and oilseeds, special crops, horticulture and other commodities. FSAM II was developed primarily in response to the devastating effects of the ongoing downward trend in prices for grains as well as the poor market returns received by horticulture producers and other commodity growers.

The short-term income assistance initiatives addressed farmers' immediate income needs through measures which built on longer-term adjustment and income stabilization programmes thus bridging the gap between short-term need and long-term protection. These provisions fell under the authority of the Farm Income Protection Act.

(ii) Incidence

FSAM I provided a GRIP premium reduction, an incentive for NISA participation, an extension of the Cash Flow Enhancement Programme, an enhancement of the Permanent Cover Programme, and special measures for the horticulture sector.

FSAM II was almost entirely an acreage payment to grain producers.

(iii) Amount of payment

FSAM I/II	
Fiscal year	Total payment* ($'000)
1991-92	$632,492
1992-93	$475,497

*On a cash accounting basis.

(iv) Payment per unit

Given the variation in the components of FSAM, average payments per producer or per unit are irrelevant.

(b) Effect of the programme

While assisting producers who were experiencing significant income declines FSAM was partially responsible for high levels of participation in the long-term safety net programmes as GRIP and NISA.

4. Greenfeed Programme

(a) Nature and extent of the programme

(i) Background and authority

Under authority of the Prairie Farm Rehabilitation Act (PFRA), the Greenfeed Programme was used to provide financial incentives to encourage production of summer and winter feed supplies for areas significantly affected by drought in the prairies and to assist in soil conservation. Unusually low winter and spring precipitation combined with an unusually hot spring resulted in severe reductions in pasture and forage yield. Approximately 70 per cent of prairie livestock were in drought affected areas. A federal-provincial coordinating committee recommended the programme to provide livestock feed, moderate feed prices and encourage the seeding of bare land.

(ii) Incidence

The Greenfeed Programme allocated $38 million ($19 million Federal share) for incentive payments to encourage Prairie producers to harvest drought-affected grain crops as livestock feed. PFRA negotiated the cost-shared agreements with the provinces and issued payments on behalf of Alberta.

Otherwise, the programme was primarily administered by provincial crop insurance corporations.

The list of eligible crops varied by province and by date of planting. Payments were $15 per acre, fields required inspection to ascertain that greenfeed was produced.

(iii) Amount of payment

Provinces	Applicants paid	Acres paid	Federal contributions 1988-89 ($'000)
Alberta	4,820	535,000	4,009
Saskatchewan	10,673	1,350,000	10,812
Manitoba	5,521	673,000	4,219
TOTAL	21,014	2,558,000	19,039

(i) Payment per unit

The programme paid out $15 per acre. The Federal contribution was $7.50 per acre (50/50 cost shared with the provinces.

(b) Effect of the programme

The overall effect of the programme was to increase the production of greenfeed which offset some of the feed shortage in the drought area. Associated soil conservation benefits were realized by having cover on land that may otherwise have been left bare for an extended period.

5. Gross Revenue Insurance Plan (GRIP)

(a) Nature and extent of the programme

(i) Background and authority

At the close of the 1990-91 crop year, the Western Grain Stabilization Act (an Act to provide income stability to grains and oilseeds producers in the Canadian Wheat Board designated area of Western Canada) was replaced and superseded by the Net Income Stabilization Account and the Gross Revenue Insurance Programme under the authority of the Farm Income Protection Act.

(ii) Incidence

GRIP is a voluntary plan consisting of two components: crop insurance and a revenue protection component. These can be delivered as a single integrated programme or two separate components. Both components are funded through tripartite premium contributions. The two components are described more fully below.

Crop Insurance:

"Crop insurance" stabilizes a farmer's income by moderating the economic effects of crop losses caused by natural events. Producers and governments pay premiums into crop insurance accounts. Payouts are based on a farmer's average crop yield and are triggered when a farmer suffers a yield loss due to a covered hazard. FIPA authorizes crop insurance as an option under GRIP or through separate crop insurance agreements. The producer share of crop insurance premiums is 50 per cent and the Federal and Provincial Government shares are each 25 per cent under both crop insurance agreements and the crop insurance option of GRIP.

Revenue Insurance:

"Revenue insurance" stabilizes a farmer's income by moderating the economic effects of losses due to short-term market risks. It is provided through agreements that establish funds into which producers and governments pay premiums. Under these agreements premiums paid by governments and producers plus interest must equal payouts over time. A target revenue and premiums are established each year. Payments are triggered when the market revenue for an enrolled crop falls below the target revenue. The farmer receives a payment making up the difference.

Producers contribute at least 33⅓ per cent of the premiums required and the Federal and Provincial Governments share the remainder of the premiums (41⅔ per cent) by the Federal Government and 25 per cent by the Provincial Governments.

(iii) Amount of payment

Federal Contributions ($ million)		
Crop year	Crop insurance premiums	GRIP premiums
1988-89	185.28	n.a.
1989-90	305.37	n.a.
1990-91	147.12	n.a.
1991-92	105.78	637.0

(iv) Amount per unit

Federal Contributions ($'000)		
Crop year	Crop insurance premiums	GRIP premiums
1988-89	1.0	n.a.
1989-90	2.0	n.a.
1990-91	1.0	n.a.
1991-92	1.0	5.0

(b) Effect of the programme

"Gross revenue insurance" stabilizes the income of farmers through income and yield protection and represents a combination of revenue insurance and crop insurance. The federal-provincial implementing agreement is the National Agreement Establishing a Tripartite Gross Revenue Insurance Plan for Crops (1991).

B. GRAINS AND GRAIN PRODUCTS

1. Western Grain Stabilization Programme (WGSP)

(a) Nature and extent of the programme

(i) Background and authority

This voluntary programme has been subsumed by the Farm Income Protection Act (FIPA) since the 1991 crop year. WGSP was designed to stabilize the income of western grain, oilseed and special crop farmers by protecting them against a sudden drop in cash flow. The programme covered the seven main grains - wheat, barley, oats, rye, flax, canola, mustard seed - and a list of special crops including triticale, mixed grain, sunflower seed, safflower seed, buckwheat, peas, lentils, fababeans and canary seed grown in the Canadian Wheat Board area. Participating producers paid a specified yearly levy rate ranging from a low of 2 per cent to a high of 4 per cent until an allowable individual maximum in eligible grin sale proceeds was realized. The federal government's contribution equalled the levy rate paid by producers plus an additional 2 per cent on all eligible producer proceeds. The

programme was administered by the Western Grain Stabilization Administration and the federal government paid all administrative costs.

(ii) Incidence

When the calculated aggregate net cash income to producers of the covered commodities was below the previous five year average, a payment approximately equal to the difference adjusted for producer participation was triggered from the Stabilization Fund. The share of the total payment accruing to each individual producer was in proportion to his/her contribution into the programme over the last three-year period. Participating producers paid in 1987-88 a levy at a rate of 4 per cent of eligible grain sale proceeds.

(iii) Amount of the payment

There were no payments made during the 1988-89 or 1989-90 crop years. In 1990-91 there was a $119 million payment triggered.

(iv) Estimated amount per unit

There were no payments issued in the 1988-89 or 1989-90 crop years. In 1990-91 the average payment per participating producer was approximately $948.

(b) Effect of the programme

While compensating producers for uncertainty and variation in their returns due to temporary market fluctuations, the programme is neutral with respect to producers' choices of output and input.

2. Western Grain Transportation Act (WGTA)

(a) Nature and extent of the programme

(i) Background

Until January 1994, freight rates on grains moving out of Western Canada were based on levels first set in 1987. Although these fixed rates originally covered the railways' costs of transporting grain, by the 1970's significant problems began to occur. These problems included large annual railway revenue losses on hauling grain, reluctance by the railways to invest in the grain transportation system, and agricultural production distortions in Western Canada. The Western Grain Transportation Act (WGTA), which became effective 1 January 1984 was designed to alleviate these problems.

(ii) Incidence

Under the WGTA, the federal government is required to pay a basic portion of total railway costs of transporting grain that is based on the difference which existed in 1981-82 between the total cost of transporting grain and what producers were then paying for transporting their grain. The government can also be required to pay an additional amount as a result of an inflation-sharing provision of the WGTA. A limit was also established for producers' freight rate increases so that freight rates do not exceed a fixed percentage of average grain prices.

(iii) Amount of the payment

In the 1988-89 crop year ending 31 July 1989, the railways received $723.5 million from the federal government for transporting grains and oilseeds, $723.5 million in 1989-90, and $724.9 million in 1990-91. 1991-92 crop year expenditure was $724.5 million and for the 1992-93 crop year it was $726.1 million.

(iv) Estimated amount per unit

In the 1988-89 crop year, government payments under WGTA to the railways averaged about $21.88 per tonne; in 1989-90, $21.31 per tonne. The average WGTA expenditure per tonne shipped was $21.06 in 1990-91, $21.10 in 1991-92 and $20.14 for 1992-93.

(b) Effect of the programme

The programme increased the portion of transportation costs paid by prairie grain producers; provides railways with adequate revenues to invest in new rolling stock and infrastructure thereby improving and expanding the grain handling and transport system; and partially reduces the distortions affecting prairie agriculture because crops and products benefit more equitably from regulated freight rates.

3. Cash Flow Enhancement Programme (CFEP)

(a) Nature and extent of the payments

(i) Background and authority

The Cash Flow Enhancement Programme (CFEP) has provided non-taxable rebates of interest on advances of less than $50,000 for participants in the Advance Payments for Crops Act (APCA) and the Prairie Grain Advance Payments Act (PGAPA). It was developed as a temporary measure for the 1990-91 crop year, since producers were experiencing cash flow difficulties because of depressed markets. The programme has since been extended on a year-to-year basis. The programme was extended under the same conditions for the 1991-92 crop year.

(ii) Incidence

The interest-free provisions of the cash advances apply to all crops currently covered under the PGAPA and the APCA, up to a maximum of $50,000 for both programmes.

(iii) Cost of the CFEP

Crop year	Total interest costs (million)
1990-91	$85.4
1991-92	$53.0
1992-93e	$64.0

e: Estimate

(iv) Estimated programme costs per producer

About 70,000 producers participated in the programme representing about 40 per cent of all eligible producers.

Crop year	Cost per producer
1990-91	$1,220
1991-92	$757
1992-93	$914

e: Estimate

(b) Effects of the programme

The programme helps ease the cash flow difficulties for producers by facilitating cash advances under the APCA and PGAPA and provides income assistance through the interest-free benefit.

4. Agricultural Stabilization Act (ASA)
(for Grains and Grain Products Outside the Canadian Wheat Board Designated Area)

(a) Nature and extent of the programme

(i) Background and authority

The main objective of the now repealed Agricultural Stabilization Act (ASA) was to stabilize the prices of agricultural commodities by reducing the risk of short-term income losses due to falling commodity prices and/or rising costs. This was achieved by making deficiency payments to producers for named and designated commodities and federal contributions to the NTSP. The functions of the ASA were subsumed by the introduction of the Farm Income Protection Act (FIPA) in 1991.

(ii) Incidence

A named commodity was identified under the ASA as any one of the following commodities produced in Canada: cattle, hogs, lambs and wool, industrial milk and industrial cream; corn and soybeans; and spring wheat, winter wheat, oats and barley not produced in the designated areas as defined by the Canadian Wheat Board.

A designated commodity was identified under the ASA as any natural or processed product of agriculture (including oats and barley produced in the designated areas as defined in the Canadian Wheat Board Act and not marketed through the Canadian Wheat Board) designated by the Governor in Council as an agricultural commodity.

Deficiency payments were made directly to producers for the difference between the annual average market price and a support level based on a percentage of the previous five-year average market price for each product, indexed for changes in cash costs of production. Payments for a particular crop year could continue over several years, as farm records are submitted.

(iii) Amount of payment

Payments made in the 1990-91 crop year

Year for which farm records are submitted	Commodity	Payments (Total)
1985	corn	$5,587
1985	soybeans	$2,661
1986	barley	$29,421
1986	corn	$60,592
1986	oats	$1,098
1986	spring wheat	$4,096
1987	barley	$38,499
1987	canola	$3,222
1987	corn	$329,122
1988	canola	$216,533
1989	canola	$237,278

Payments made in the 1991-92 crop year

Year for which farm records are submitted	Commodity	Payments (Total)
1985	barley	$232
1985	soybean	$1,261
1986	barley	$2,811
1986	corn	$9,398
1986	spring wheat	$949
1987	barley	$9,275
1987	corn	$32,261
1987	oats	$12
1988	canola	$18,341
1989	canola	$19,495
1989	soybean	$17,917,882
1990	oats	$57,872
1990	soybean	$1,854,528
1990	spring wheat	$496,416
1990	winter wheat	$8,232,897

(iv) Payment per unit

Payment made in the 1990-91 crop year

Year for which farm records are submitted	Commodity	Payments per unit
1985	corn	$8.92/t
1985	soybean	$15.53/t
1986	barley	$17.69/t
1986	corn	$29.70/t
1986	oats	$12.88/t
1986	spring wheat	$13.44/t
1987	barley	$19.77/t
1987	canola	$81.25/t
1987	corn	$11.85/t
1988	canola	$14.28/t
1989	canola	$12.39/t

Payments made in the 1991-92 crop year

Year for which farm records are submitted	Commodity	Payments per unit
1985	barley	$2.46/t
1985	soybean	$15.53/t
1986	barley	$17.69/t
1986	corn	$29.70/t
1986	spring wheat	$13.44/t
1987	barley	$19.77/t
1987	corn	$11.85/t
1987	oats	$0.51/t
1988	canola	$14.28/t
1989	canola	$12.39/t
1989	soybean	$16.35/t
1990	oats	$1.36/t
1990	soybean	$2.01/t
1990	spring wheat	$42.96/t
1990	winter wheat	$6.94/t

(b) Effects of the programme

Agricultural Stabilization Board payments helped stabilize producers' incomes by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this programme helped prevent the misallocation of resources.

5. Prairie Grain Advance Payments Act (PGAPA)

(a) Nature and extent of the programme

(i) Background and authority

The Prairie Grain Advance Payments Act (PGAPA) is complementary to the Advance Payments for Crops Act (APCA). PGAPA is a voluntary programme enacted in 1957. It applies to wheat, oats and barley grown in the Canadian Wheat Board designated area (oats were removed 1 August 1989). It provides guarantees and funds the interest on loans by the Board to make advance payments. The advances were interest-free up to the 1989-90 crop year, based upon a maximum of 66⅔ per cent of expected market prices. Advances are repaid when the crops are marketed, normally through the Board.

The programme is administrated by Agriculture and Agri-Food Canada and the Canadian Wheat Board, which uses its existing line of credit with the chartered banks to fund the advances. The interest-free aspect of PGAPA was removed for the 1989-90 crop year, and advances became interest-bearing at commercial rates.

(ii) Incidence

Advances made to producers totalled $319.5 million in the 1988-89 crop year, the last year of interest-free advances. Advances totalled $144.7 million in the 1989-90 crop year.

(iii) Cost of the PGAPA

Crop year	Total interest costs (million)
1988-89	$14.7
1989-90	$0.0
1990-91	$74.2
1991-92	$45.1

(iv) Cost per Producer

Crop year	Interest per producer
1988-89	$680
1989-90	$0
1990-91	$1,071
1991-92	$743

(b) Effects of the programme

The programme supports orderly marketing by providing cash flow at harvest. Thereby reducing pressure on the Board to market until supply and demand are better in balance. In addition, the PGAPA programme compensates for restricted delivery opportunities because of grain transportation and handling restraints.

6. At and East Grain and Flour Subsidy Programme

(a) Nature and extent

This programme was terminated as of 15 July 1989 with final subsidies paid in 1990.

(i) Background and authority

The At and East Grain and Flour Subsidy Programme, which was administered by the National Transportation Agency, provided subsidies to the railways on:

- grain moving for export, received at ports on Georgian Bay, Lake Huron, Lake Ontario and the upper St. Lawrence as far as Prescott, and transported by rail to ports east of and including Montreal; and

- flour moving for export from points east of Thunder Bay, and transported by rail to ports east of and including Montreal.

(ii) Incidence

The amount of the subsidy was equal to the difference between the revenues received by the railways from freight rates frozen at the level which were in effect in the 1960s, and the actual costs which they incurred on these movements.

(iii) Amount of payment

Payments were $33.7 million for calendar year 1988 and $18.8 million for calendar year 1989. The final payment, in 1990, was $288,896.

(iv) Payment per unit

1988	Flour Grain	$65.99/tonne (average) $26.43/tonne (average)
1989	Flour Grain	$65.84/tonne (average) $25.63/tonne (average)
1990	Flour	$69.80/tonne (average)

(b) Effect of the programme

This programme evolved in response to a 1959 rate reduction by United States railways for grain movements from points "at and east" of Buffalo, New York to Atlantic ports. The intent of the programme was to ensure that Canadian grain and flour shipments would continue to be exported through Canadian east coast ports, rather than through competing United States ports. This competitive concern no longer exists since the cost of shipping by rail to United States ports is now considerably higher than the cost of shipping by water through the Great Lakes/St. Lawrence Seaway. The subsidy had the effect of diverting traffic away from the Seaway in favour of subsidized rail movements, inconsistent with the government's market-oriented transportation policy. These programmes were terminated effective 15 July 1989 and are expected to result in annual savings of about $40 million.

7. Freight Charges Equalization Programme

(a) Nature and extent of the programme

In the April 1989 Budget the announcement of the elimination of the "at and East" subsidy, also referred to the termination, effective 15 July 1989 of payments to western flour millers through this equalization programme.

(i) Background and authority

Section 272 of the Railway Act froze the "stop-off" rate to flour mills in Eastern Canada "for the purpose of encouraging the continued use of the Eastern ports for the export of grain and flour". Appropriations under the Freight Charges Equalization Programme are designed to equalize freight charges between eastern and western Canada on the transport of flour for export markets. This programme was administered by Agriculture Canada.

(ii) Incidence

Payments were issued to millers in Western Canada in order to equalize the freight "stop-off" charges between Eastern and Western Canada on grain which is processed into flour for export.

(iii) Amount of the payment

Payments under this programme for fiscal year 1987-88 were $770,800, for fiscal year 1988-89 were $526,300 and for fiscal year 1989-90 were $306,178.

(iv) Estimated payment per unit

The stop-off rate to Eastern mills was frozen under Section 281 of the Railway Act at $0.66 per tonne. The stop-off rate to Western mills was set at compensatory levels which was determined to be $6.90 per tonne.

(b) Effects of the programme

This payment provided Western and Eastern Canadian millers with equal access to flour export markets. It removed the disadvantage faced by western millers who were constrained by the higher compensatory "stop-off" rates on the transport of raw grain *vis à vis* eastern millers who paid a fixed rate of 66 cents per tonne.

8. Special Canadian Grains Programmes (SCGP I and SCGP II)

(a) Nature and extent of the programme

(i) Background and authority

Under the authority of Agriculture Canada, the Special Canadian Grains Programme (SCGP) reduced the impact of the European Community/United States subsidy war on Canada's grain sector by enhancing the cash flow of Canadian grain producers.

(ii) Incidence

Beneficiaries were the eligible producers of specific crops in 1986/87 for SCGP I, and in 1987/88 for SCGP II. The SCGP I special cash payment was made on the 1986-87 crop, with payments to producers in 1988. Payments were calculated on the basis of seeded acreage of eligible crops and average yields. Assistance rates reflected the price declines that arose in each commodity form the European Community/United States trade dispute. Payments for SCGP II were received in 1989.

Crops covered under the programme were wheat, barley, oats, rye, mixed grains, corn, soybeans, canola, flay and sunflower seeds, specialty crops and honey.

SCGP II payments were also made on summerfallow within the Canadian Wheat Board designated area. Grains used for silage, forage seed, green feed and hay were excluded. Payments were limited to $25,000 per producer.

(iii) Amount of payments

Under SCGP II, programme assistance of $1,067 million was paid to 214,559 recipients. SCGP I paid out approximately $984 million. Administration costs were approximately $8 million for each programme.

(iv) Estimated payment per unit

Average payment per recipient was $4,974 for SCGP II and $4,913 for SCGP I.

(b) Effect of the programme

The programmes helped offset low world grain prices caused by the European Community/United States subsidy war by enhancing cash flow of Canadian grain producers.

9. Two-Price Wheat Programme

(a) Nature and extent of the programme

(i) Background and authority

The original objective of the Two-Price Wheat Programme was to provide price stability to domestic millers by insulating the domestic wheat price from international fluctuations. Protection was thereby afforded consumers against high world prices and producers against depressed prices.

The Two-Price Wheat Programme was eliminated as of 31 July 1988. It was replaced with a one-year transitional programme entitled "Two-Price Wheat Assistance Payments". This programme was designed to maintain the same level of domestic producer benefits as there otherwise would have been.

(ii) Incidence

Prior to August 1988, the Canadian Wheat Board maintained the domestic price to millers at $7.00 per bushel. The corresponding export price was approximately $4.00 per bushel. The difference between the domestic price and the world price had been paid indirectly by consumers.

The domestic price of wheat is now based on the North American market. Payments under the Two Price Wheat Programme were made through the pool accounts to producers.

(iii) Amount of payment

Total payments through Two Price Wheat assistance for the crop year 1988/89 were $87 million.

(iv) Estimated payment per unit

Red Wheat	$36.90/tonne
White Wheat	$47.97/tonne
Durum Wheat	$3.83/tonne

(b) Effects of the programme

The programme helped protect consumers against high world prices and producers against depressed prices. The transitional programme was a one year adjustment programme for producers.

C. OILSEEDS AND OILSEED PRODUCTS

1. Agricultural stabilization for oilseeds and oilseed products

(a) Nature and extent of the programme

(i) Background and authority

Under authority of the Agricultural Stabilization Act (ASA), the Agricultural Stabilization Board stabilized the revenues of named commodities including soybeans. Support prices were set at a percentage of the previous five-year average market price indexed for changes in the cash costs of production. Other commodities such as canola could be designated for similar support from time to time. The ASA has been subsumed by the Farm Income Protection Act (FIPA) since 1991.

(ii) Incidence

For named commodities, deficiency payments were made directly to producers for the difference between the annual average market price and a percentage of the adjusted previous five-year average market price for each commodity.

(iii) Amount of the payments

As of the end of fiscal year 1990/91, payments for 1986/87 soybeans reached $10,458,608; as of the end of 1991/92, payments for 1989/90 soybeans reached $17,917,882 and payments for 1990/91 soybeans reached $1,854,528.

As of the end of fiscal year 1989-90, payments on 1986/87 canola reached $3,050,439. As of the end of 1990/91, payments on 1987/88 canola reached $1,515,049, payments on 1988/89 canola reached $216,533 and payments on 1989/90 canola reached $237,278.

(iv) Estimated payment per unit

1986/87	Soybeans	$11.40/tonne
1989/90	Soybeans	$16.35/tonne
1990/91	Soybeans	$2.01/tonne

1986/87	Canola	$51.37/tonne
1987/88	Canola	$87.25/tonne
1988/89	Canola	$14.28/tonne
1989/90	Canola	$12.39/tonne

(b) Effect of the programme

Agricultural Stabilization Board payments helped stabilize producers' incomes by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this programme helped prevent the misallocation of resources resulting from short-term price or income stimuli. Long-term price movements were allowed to prevail.

D. FRUITS AND VEGETABLES

1. Agricultural stabilization for fruits and vegetables

(a) Nature and extent of the programme

(i) Background and authority

Under the now repealed Agricultural Stabilization Act (ASA) fruits and vegetables were designated for support. Designated commodity prices were generally supported at the same level as named commodities. In addition, national tripartite stabilization plans were in place for: sugar beets (starting in 87-88), dry edible beans (87-88), apples (87-88), onions (88-89) and honey (88-89).

One of the functions of the Agricultural Products Board, as established under the Agricultural Products Board Act, was to take action in support of the stabilization activities of the ASA. By buying surplus commodities and selling them later, the Board's activities helped stabilize farm incomes. The Board could sell products at prices lower than the purchase price plus handling and storage, only if authorized by the Governor-in-Council.

The functions of the ASA were subsumed by the introduction of the Farm Income Protection Act (FIPA) in 1991.

(ii) Incidence

Deficiency payments were made directly to producers for the difference between the annual average market price and a support level based on a percentage of the previous five-year average market price for each product, indexed for changes in cash costs of production. Payments for a particular crop year can continue over several years, as farm records are submitted.

(iii) Amount of the payment

1987/88 B.C. Pears: Pears grown in British Columbia marketed by 30 June 1988 were designated for support under Order-in-Council P.C. 1988-2590 dated 17 November 1988. A deficiency payment of $9.96 per 100 kilograms was triggered. Total payments made during the fiscal year 1988-89 amounted to $1,289,000. In 1989-90, payments were $16,694, but refunds to the programme were $23,049.

1987/88 B.C. Peaches: The 1987 British Columbia peach crop was also designated for support during 1988-89. Under the Order-in-Council P.C. 1988-2589 dated 17 November 1988, a deficiency payment of $23.16 per 100 kilograms was approved. Total payments amounted to $2,289,000 in 1988-89. In 1989-90, payments were $99,137.

1987/88 B.C. Prunes: The 1987 British Columbia prune crop was designated for support Order-in-Council P.C. 1988-2591 dated 17 November 1988. A deficiency payment of $11.98 per

100 kilograms was triggered. During the fiscal year 1988-89, total payments amounted to $380,000. For the year 1989-90, payments were $10,532.

1987/88 Sour Cherries: Sour cherries marketed by 30 June 1987 were designated for support under Order-in-Council 1988-1460 dated 21 July 1988. A deficiency payment of 29.62¢ per kilogram was triggered. Total payments in 1988-89 were $2,156,000.

Other programmes administered by the ASA:

1987/88 Red Delicious Apples

Order-in-Council PC 1988-2/2588 dated 17 November 1988 authorized the provision of assistance of 2 cents per pound for all Red Delicious apples produced in Canada in 1987 in an amount not to exceed $5.3 million. This assistance was provided in the form of a contribution to growers under Vote 15, Agriculture Grants and Contributions, pursuant to Section 5(2) of the Department of Agriculture Act. The assistance was provided to compensate the producers for reduced returns caused by large imports of Washington State product at depressed prices. Total payments in 1988-89 amounted to $4,449,000 and $4,000 in 1989-90.

1988 Nova Scotia Apple Transportation Assistance

Due to a large supply of juice apples and a lack of facilities for processing, authority was provided pursuant to Section 5(2) of the Agriculture Act to make a contribution of one-half of the actual cost of transportation of juice apples to facilities in Ontario. This was approved by Order-in-Council PC 1988-1/2588 dated 17 November 1988. Payments were $0.015/lb. to a maximum of $150,000. Actual total expenditure to date is $73,063.

Other payments

In 1989-90 payments were also made to 1982 ($693) and 1983 ($10,536) apples, 1983 B.C. pears ($366), 1983 B.C. peaches ($517) and 1983 B.C. prunes ($66). Refunds were made to 1985 ($5,652) and 1977 ($4,813) potatoes and 1977 yellow seed onions ($2,350).

(iv) Payment per unit

1987/88	Red Delicious Apples	4.40¢/kg.
1987/88	Sour Cherries	29.62¢/kg.
1987/88	Peaches	$23.16/100 kg.
1987/88	Pears	$9.96/100 kg.
1987/88	Prunes	$11.98/100 kg.

(b) Effect of the programme

Agriculture stabilization payments helped stabilize producers' incomes by reducing the impact of short-term price shocks. This helped prevent the misallocation of resources.

2. National Tripartite Stabilization Programme for Apples

(a) Nature and extent of the programme

(i) Background and authority

Under the authority of the Farm Income Protection Act (FIPA), this National Tripartite Stabilization Programme (NTSP) stabilizes apple returns.

The programme cost is shared equally between the Federal Government, the province and producers, and hence, government contributions represent 2/3 of total payments. Under FIPA, NTSP for apples is now covered as a component of an integrated safety net system.

(ii) Incidence

The support level for apples is based on the indexed national average market price over the preceding 10 years, adjusted for inflation.

(iii) Amount of payment (total)

A deficiency payment of $15,418,000 has been received by apple growers for the 1987-88 crop. Government contributions account for 2/3 of total. Payments for the 1989 crop have reached $16,658,000. There were no payments for the 1988,1990, and 1991 crop year.

(iv) Payment per unit (total)

The payment per unit for 1987 apples was $35.50 per tonne. For 1989 apples, it was $40.17 per tonne.

(b) Effect of the programme

Payments help stabilize producers' income by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this programme helps prevent the misallocation of resources.

3. National Tripartite Stabilization Programme for White Pea Beans and Other Dry Edible Beans

(a) Nature and extent of the programme

(i) Background and authority

Under the authority of the Farm Income Protection Act (FIPA), the National Tripartite Stabilization Programme (NTSP) stabilizes white pea bean and other dry edible bean returns to reduce income lost by producers from market risk. Support is based on the guaranteed margin approach. The support price for a year will equal the cash costs of production in the current year plus a percentage of the average margin in the preceding seven years.

The programme is shared equally between the Federal Government, the province and producers, and hence, government contributions represent 2/3 of total payments. Under FIPA, NTSP for dried beans is now covered as a component of an integrated safety net system.

(ii) Incidence

Support is based on the guaranteed margin approach. The support price for a year will equal the cash costs of production in the current year plus a percentage of the average margin in the preceding seven years.

(iii) Amount of the payment

Total payments ($'000)

Crop year	Commodity	Amount
1987	white pea beans	26,964
1988		0
1989		0
1990		17,235
1991		20,408
1987	other coloured beans	2,210
1988		0
1989		17,235
1990		3,691
1991		2,995
1987	kidney and cranberry beans	768
1988		0
1989		0
1990		352
1991		1,667

(iv) Payment per unit

Crop year	Commodity	$/tonne
1987	white pea beans	237.25
1988		0
1989		0
1990		165,34
1991		171.74
1987	other coloured beans	112.85
1988		0
1989		46.08
1990		157.63
1991		83.55
1987	kidney and cranberry beans	66.92
1988		0
1989		0
1990		25.57
1991		93.47

(b) Effects of the programme

Payments help stabilize producers' income by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in the market conditions, this programme helps prevent the misallocation of resources.

4. National Tripartite Stabilization Programme for Onions

(a) Nature and extent of the programme

(i) Background and authority

Now under the authority of the Farm Income Protection Act (FIPA), this National Tripartite Stabilization Programme (NTSP) stabilizes onion returns to reduce income lost by producers from market risks.

The programme cost is shared equally between the Federal Government, the province and producers, and hence, government contributions represent 2/3 of total payments. Under FIPA,NTSP for onions is now covered as a component of an integrated safety net system.

(ii) Incidence

The support level for onions is based on the Indexed National Average Market Price (IMAP). This is the national average market price over the preceding seven years, adjusted for inflation.

(iii) Amount of payment

No payments have been triggered under this programme.

(iv) Payment per unit

No payments have been triggered under this programme

(b) Effects of the programme

Payments help stabilize producers' income by reducing the impact of short-term price shocks. By insulation incomes against short-term disruptions in market conditions, this programme helps prevent the misallocation of resources.

E. SUGAR AND RELATED PRODUCTS

1. National Tripartite Stabilization Programme for Sugar Beets

(a) Nature and extent of the programme

(i) Background and authority

Under the authority of the Farm Income Protection Act (FIPA), the National Tripartite Stabilization Programme (NTSP) stabilizes sugar beet returns.

The programme is shared equally between the Federal Government, the provinces and producers, and hence, government contributions represent 2/3 of total payments. Under FIPA, NTSP for sugar beets is now covered as a component of an integrated safety net system.

(ii) Incidence

Support prices are set at percentage of the current cash costs of production plus a percentage of the Indexed Moving Average Price received for sugar beets during the previous 15 years.

(iii) Amount of the payment

Total payment ($'000)

Crop year	Amount
1987	14,524
1988	2,947
1989	0
1990	1,301
1991	2,493

(iv) Payment per unit

Payment per tonne

Crop year	$/tonne
1987	13.36
1988	3.59
1989	0.00
1990	1.23
1991	2.23

(b) Effect of the programme

Payments help stabilize producers' income by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this programme help prevent the misallocation of resources.

2. National Tripartite Stabilization Programme for Honey

(a) Nature and extent of the programme

(i) Background and authority

Under the authority of the Farm Income Protection Act (FIPA), the National Tripartite Stabilization Programme (NTSP) stabilizes honey returns.

The support price for any given year will equal a percentage of the IMAP. The programme cost is shared equally between the Federal Government, the provinces and producers and, hence, government contributions represent 2/3 of total payments. Under FIPA, NTSP for honey is now covered as a component of an integrated safety net system.

(ii) Incidence

The support level for honey is based on the Indexed National Average Market Price (IMAP). This is the national average market price over the preceding seven years, adjusted for inflation. The support price for any given year will equal a percentage of the IMAP.

(iii) Amount of the payment

Total payment ($'000)

Crop year	Amount
1987	0
1988	8,306
1989	3,513
1990	0
1991	0

(iv) Payment per unit

Payment per pound

Crop year	$/lb
1987	0.00
1988	0.12
1989	0.07
1990	0.00
1991	0.00

(b) Effect of the programme

Payments help stabilize producers' income by reducing the impact of short-term price shocks. By insulating incomes against short-term disruptions in market conditions, this programme helps prevent the misallocation of resources.

IV. OTHER PROGRAMMES

Aboriginal Economic Programmes

Industry Canada is responsible for the delivery of part of the Government of Canada's Canadian Aboriginal Economic Development Strategy. Under this initiative the Department helps aboriginal peoples develop and expand commercial enterprises and obtain long-term employment. The programme provides assistance in business development, joint ventures and capital corporation.

Programme support totalled $66,377,538 in Fiscal Year (FY) 1991/92 and $66,986,521 in FY 1992/93.

Advanced Train Control System Programme

Under this programme financial assistance was available for companies to carry out research, development and testing of components and subsystems in support of the introduction of advanced train control technology in North America. The last date for applications under this programme was 31 December 1991.

Programme support totalled $1,031,825 in Fiscal Year (FY) 1991/92 and $733,275 in FY 1992/93.

Atlantic Enterprise Programme

The Atlantic Enterprise Programme (AEP) was administered by the then Department of Industry, Science and Technology and offered financial assistance to businesses in the Atlantic Canada region across a wide range of industry sectors. The objective of the AEP was to encourage long-term economic growth in the Atlantic region of Canada through assistance measures which promote capital investment. The programme was directed at the establishment of economically viable facilities as well as expansion or modernization projects which could not otherwise be carried out. Assistance was provided to business in two forms: reduced loan rates and special loan insurance. The last date for applications under this programme was 31 December 1990.

Expenditures incurred by the then Department of Industry, Science and Technology totalled $5,764,889 in Fiscal Year (FY) 1991/92 and $1,182,463 in FY 1992/93.

Canadian Industrial Renewal Board

The Canadian Industrial Renewal Board (CIRB) was originally set-up to revitalize the textile, clothing and footwear industries, to strengthen and diversify the economic base of regions that are heavily dependent of these industries and to assist sector workers to adjust to changes in the work place. This programme has now been terminated.

Under the CIRB, a variety of assistance was available ranging from financial assistance for incorporation and general operating expenses, contributions, direct loans and loan insurance and special programme aid to sector workers in selected areas.

Programme spending recorded in the 1991/92 ($130,034) and 1992/93 ($509,857) fiscal years represents outstanding funding commitments made in previous years.

Defence Industry Productivity Programme (DIPP)

The primary objective of this programme is to enhance Canada's economic growth through the promotion of viable defence or defence-related products. Supporting objectives are to provide a defence industrial base and to develop and maintain a defence technological capability. DIPP provides for financially repayable contributions to qualifying Canadian firms. Included in the programme are research and development (defence and defence-related products and associated technologies), source establishment (qualified Canadian suppliers of defence and defence-related products), capital assistance (the acquisition of advanced product equipment and modernization or upgrading of engineering or manufacturing capabilities) and market feasibility studies (specifications for defence-related products and market characteristics for products).

The programme operates in support of Canada's cooperative international defence sharing agreements on research, development and production. These arrangements have been signed with the United States, the United Kingdom, France, the Netherlands, Italy, Sweden, Norway and the Federal Republic of Germany. Given reduced international defence spending budgets, it is the government's intent to re-examine DIPP to capitalize on the defence conversion necessity.

Assistance to the industry totalled $159,988,437 in Fiscal Year (FY) 1991/92 and $233,030,127 in FY 1992/93.

Economic and Regional Development Agreements/General Development Agreements

Background

During the 1970s, the Federal Government entered into framework General Development Agreements (GDAs) with the ten provinces and two territories. These agreements were used as a mechanism to provide for cooperative federal-provincial/territorial projects and programmes to enhance the development of each region in Canada. Specific initiatives under each framework GDA were implemented by subsidiary agreements (sub-agreements or memoranda of understanding (MOUs) that were the responsibility of federal and provincial ministers and their respective departments.

Overview

In 1984, a new series of framework agreements, the 10-year Economic and Regional Development Agreements (ERDAs) were introduced to replace the GDAs. These agreements were negotiated between the Federal Government and each of the ten provinces. The ERDAs, similar to the previous GDAs, are a multi-year agreement between the Government of Canada and individual provinces which are used as a mechanism to facilitate consultation and co-ordination regarding economic and regional development policies, programmes and activities between the two levels of government. Development agreements similar to the ERDAs also exist between the Federal Government and the Governments of the two territories in Canada, the Yukon and the Northwest Territories. These agreements are known as Economic Development Agreements (EDAs).

Each agreement identifies priorities based upon a perspective of the economy of an individual province or territory which is shared by both the Federal Government and the participating Provincial or Territorial Government. Based upon this shared perspective the two levels of government negotiate formal federal/provincial or federal/territorial contracts (ERDA sub-agreements or memoranda of understanding) which define specific programmes or contracts which both Governments then undertake in an economic development sector.

These agreements allow both levels of government to take coordinated economic action based upon their identification of development opportunities within the confines of mutually set and agreed priorities.

For the Federal Government, Industry Canada manages the framework ERDAs and EDAs in Ontario and the two Northern Territories, the Yukon and the Northwest Territories respectively. The Atlantic Canada Opportunities Agency (ACOA) is responsible for the four Atlantic provinces, the Federal Office for Regional Development in Quebec (FORDQ) administers the framework ERDAs in Quebec, while the Department of Western Economic Diversification manages the framework ERDAs in the four western provinces.

Under the ERDA/EDAs currently in place, various sub-agreements or memoranda of understanding are in effect covering programme activity in such areas as industrial development (e.g., Canada-Quebec Subsidiary Agreement on Industrial Development), regional economic development (e.g., Canada-Quebec Subsidiary Agreement on Regional Economic Development, science and technology development (e.g., Canada-British Columbia Subsidiary Agreement on Science and Technology) and tourism (e.g., Canada-Alberta Memorandum of Understanding on Tourism Development Strategy).

The then Department of Industry, Science and Technology provided funding under ERDA/GDA commitments totalling $24,124,603, in Fiscal Year (FY) 1991/92 and $19,821,235 in FY 1992/93.

Environmental Technology Commercialization Programme (ETCP)

The programme is administered by Industry Canada with the support of Environment Canada and the National Research Council Canada. It seeks to provide new solutions to environmental problems and stimulate Canadian economic activity by sharing the financial risks of developing, demonstrating and commercializing new technologies through the use of first-time pilot and demonstration projects. The projects will be undertaken by strategic alliances, joint ventures and consortial participants in the environmental industry including universities, research institutions and private sector firms. Project sponsor will be for - profit corporations and partnerships operating in Canada that represent an alliance and have the capability to successfully demonstrate and commercialize new environmental technologies. When the support exceeds $100,00, it becomes cost-recoverable, usually through profits generated by the exploitation of the technology. This programme started in October 1991 and new applications will be accepted until 31 March 1997.

There were no contributions in Fiscal Year 1991/92. FY 1992/93 contributions totalled $191,987.

Industrial Regional Development Programme

The objective of the Industrial Regional Development Programme (IRDP) was to promote regional industrial development through support of private sector initiatives with particular emphasis on projects, industries and technologies having the greatest potential for economic return, sustained growth and international competitiveness. The programme made financial assistance available to business and non-profit organizations through contributions and repayable contributions. A wide variety of projects were funded under the IRDP including feasibility studies, product and process innovation, new plant establishment, modernization or expansion of existing plan facilities and marketing.

The cut-off for new applications was 30 June 1988. Contributions noted below represent outstanding commitments which originated before the termination date for new applications.

Insurance payments under the former Enterprise Development Programme and guarantees under the IRDP together totalled $68,577,881 in Fiscal Year (FY) 1991/92 and $97,580,676 in FY 1992/93.

Contributions under the Industrial and Regional Development Act and outstanding commitments under discontinued predecessor programmes totalled $15,423,505 in Fiscal Year (FY) 1991/92 and $7,267,312 in FY 1992/93.

Industrial Research Assistance Programme

The Industrial Research Assistance Programme (IRAP), administered by the National Research Council of Canada, is a programme set up to further the economic development of Canada. The objective of IRAP is to increase the calibre and range of industrial research and development in Canada and to foster the use of available technology. To achieve this objective technical and financial support is given to research workers engaged in longer term applied industrial research projects of high technical merit.

The programme also provides support to Canadian companies to undertake projects that take advantage of knowledge and resources within government, university, institute laboratories as well as foreign laboratories.

Programme expenditures totalled $79,692,000 in Fiscal Year (FY) 1991/92 and $78,257,000 in FY 1992/93.

Microelectronic and Systems Development Programme

The objective of this programme is to enhance the international competitiveness and growth of the manufacturing, processing and service industries in Canada. The programme strategy is to encourage Canadian systems development and microelectronics companies to further the objective by sharing with them the risk of developing appropriate advanced microelectronic technologies and advanced information technologies and systems. Typical industrial applications include the communication, processing and display of information, materials scheduling and process control. Assistance is for companies with in-house systems engineering capabilities, companies specializing in systems integration, and developers of advanced microelectronics systems.

Expenditures under this programme totalled $8,959,289 in Fiscal Year (FY) 1991/92 and $15,291,236 in FY 1992/93.

Northern Ontario Development Fund

This initiative provided for the enrichment of existing federal economic development programmes, of particular benefit to small and medium-sized businesses in Northern Ontario. This fund was for the purpose of topping up the former Industrial and Regional Development Programme for businesses located in the northern region of the province of Ontario. The cut-off date for applications for this programme was 30 June 1988.

In 1987 the Federal Economic Development Initiative in Northern Ontario (FEDNOR) was established with the objective of encouraging the growth and diversification of the Northern Ontario economy by providing financial assistance and other support to small and medium-sized private sector businesses. FEDNOR's mandate has been extended to 1997. FEDNOR administers the Northern Ontario Development Fund and provides assistance to businesses in Northern Ontario through the Business Incentive Programme, administered by the FedNor Secretariat, The FedNor Centre and the FedNor Market Access Programme. Under the Business Incentive Programme, projects may be eligible for assistance for:

- research and development;
- quality, technology and management development;
- establishing new business;

- expanding or modernizing existing business;
- marketing; and
- feasibility studies.

Outstanding commitments totalled $9,112,782 in Fiscal Year (FY) 1991/92 and $7,400,146 in FY 1992/93.

R&D Incentive Programme in the Montreal Region

The programme objective is to assist businesses in Canada to develop expertise and to encourage them to become leaders in media technologies, electronic data interchange, and advanced communications. The programme was launched in June 1992.

Fiscal Year 1992/93 expenditures amounted to $5,410,833.

Satellite Technologies Programme (STP)

The programme promotes the development of advanced communications services for Canadians through cost-shared research and development in the Canadian satellite communications industry. Normally, the level of cost-sharing is 50 per cent of project cost.

Expenditures under this programme totalled $2.8 million in Fiscal Year (FY) 1991/92 and $2,725,439 in FY 1992/93.

Sector Campaigns (Sector Competitiveness Initiatives)

The objective of the Sector Campaigns is to enhance the international competitiveness of Canadian industry in selected sectors through cooperation between government and industry. The initiative has four elements: consultation, information exchange, advocacy and targeted assistance to innovation projects and studies undertaken by commercial enterprises. A key element is joint industry-government action involving shared commitment and risk by the industry concerned and other sectoral stakeholders. Industry Canada currently supports Sector Campaigns in the following industries: advanced manufacturing technologies, automotive components, environmental industries, fashion apparel, furniture, forest products, medical devices, microelectronics, telecommunications equipment, and software products. Sector campaigns in seafood and marine products as well as in wine and food processing are being transferred to Agriculture and Agri-food Canada.

A major programme established and financed under the Sector Campaign Programme is the Forest Industries R&D Innovation Programme. This programme resulted from the Canadian Forest Industry Policy which was strongly supported by industry. The policy shifts federal support away from new capacity or conventional technology toward increased R&D and innovation and market development. The objective is to enhance the competitive position of the forest industry through leverage of increased R&D activity undertaken by forest products and allied industry companies, suppliers, research institutes and universities.

Expenditures under the Sector Campaign programme totalled $12,592,102 in Fiscal Year (FY) 1991/92 and $16,172,144 in FY 1992/93.

Small Business Loans Act

The Small Business Loans Act (SBLA) encourages commercial lending institutions to increase the availability of debt financing to small businesses whose annual sales do not exceed $5 million. Industry Canada guarantees the lender against losses sustained in the making of loans. The purposes for which loans may be granted are the purchase of equipment or land and the establishment, improvement or modernization of plant, equipment or premises. Lenders are levied a 2 per cent guarantee fee which is nominally passed on to the borrowers in respect of all loans made and the government/lender sharing ratio for loan losses is a ratio of 90:10. Programme expenditures under the SBLA represent liabilities incurred by the Government of Canada in supporting this programme.

Expenditures totalled $26,379,892 in Fiscal Year (FY) 1991/92 and $13,456,030 in FY 1992/93.

Strategic Technologies Programme

The objective of this programme is to enhance the international competitiveness of Canadian industry through the development, acquisition, application and diffusion of technology. Three strategic technology fields have been targeted for assistance, namely, "Advanced Industrial Materials", "Biotechnology", and "Information Technologies". The programme objective is met by encouraging and supporting pre-competitive R&D Alliances and Technology Application Alliances designed to accelerate the transition to building the technology base essential for competitiveness.

Programme support totalled $10,106,862 in Fiscal Year (FY) 1991/92 and $13,623,858 in FY 1992/93.

Technology Outreach Programme/Technology Opportunities in Europe Programme

The primary objective of the Technology Outreach Programme is to improve the productivity and competitiveness of Canadian industry by providing a supporting infrastructure to accelerate the acquisition, development and diffusion of technology and critical skills within Canadian industry, especially in the small and medium-sized business sector. A secondary objective of the programme is to foster the development of a more integrated national network of technology diffusion support in cooperation with industry, universities provincial research organizations and those federal agencies operating internal technology centres.

The programme comprises two forms of assistance: start-up assistance to new centres and assistance to established centres.

The objective of the Technology Opportunities in Europe Programme (TOEP) is to contribute to the growth of a strong high technology industry in Canada through the development of new technology and expertise in Canadian firms and through the promotion of industrial cooperation between Canadian and European firms. Specifically, the purpose of TOEP is to facilitate the participation of Canadian firms in Eureka high technology projects. The last date for acceptance of applications under this programme was 31 December 1988.

Total expenditures under these two programmes totalled $13,415,477 in Fiscal Year (FY) 1991/92 and $11,223,329 in FY 1992/93.

Western Transportation Industrial Development Programme

The Western Transportation Industrial Development Programme (WTIDP) was aimed at industrial development and diversification opportunities in the four western provinces (Manitoba, Saskatchewan, Alberta and British Columbia) in manufacturing, processing and related service industries. Assistance

was provided in the form of non-repayable contributions. Programme eligibility was open to small, medium-sized or large businesses in Western Canada. The programme: provided assistance to enhance research and development activities, funded studies on long-term industrial development incentives.

The WTIDP was originally administered by the Department of Industry, Science and Technology but was subsequently transferred to the Department of Western Economic Diversification on the establishment of this latter department in 1987. The WTIDP has expired and is winding down. The expenditures noted below relate to commitments, originally made by the Department of Industry, Science and Technology.

Outstanding expenditures incurred by the then Department of Industry, Science and Technology totalled $582,224 in Fiscal Year (FY) 1991/92 and $286,208 in FY 1992/93.