

taxation on income earned in good years so that it is available in years when losses are sustained. Aside from such programs as "Block Averaging"; and general averaging, R.R.S.P.'s, deferred cash purchase tickets, cattle loss absorption, capital cost allowance, farm incorporation, deferred sales and year end purchasing, and income averaging annuity contracts, it has been suggested that the latter be modified to permit producers to remove up to 50% of annual farm income, or up to \$100,000 annually, for placement into a trust account for between one and seven years. Such sums would be taxable when withdrawn, obviously during years when losses are experienced. Whatever, the merit of this proposal, it does not respond to many of the serious challenges faced by the industry, from an average income level point of view, from a marketing and industry concentration point of view, and from the challenge to maintain a broadly based industry. Redistribution of income over years is not an answer when there is little to redistribute, as is the case for most producers.

d) Market and Supply Management Programs

Four programs are offered for consideration which respond in varying ways to the challenges being faced by the industry. Aside from those problems of traditional nature, market concentration, income and industry instability and the cruelty it visits on producers and consumers alike, the weakness of the price discovery mechanism, and the level of returns earned by most producers in the industry, only a national program can replace the patchwork of provincial policies, being funded on a competitive basis by provincial treasuries which must eventually lead to chronic overproduction in the beef industry, these programs are examined for their effectiveness in dealing with problems identified and their feasibility of implementation.

1. The Canadian Wheat Board Model

The focus of this model is the development of an orderly