

Mr. DANFORTH: I think the members appreciate that for the purpose of my comparison I am using the extreme powers that conceivably could be used by such an agency.

I pass.

Mr. OLSON: Mr. Chairman, may I say at the outset that I agree almost completely with the changed position of the federation in respect to the agency being able to move into the market place to ensure adequate supplies during the whole of the feeding season.

Having said that, a number of problems come to my mind in connection with the administration of this kind of policy. I would like to ask Mr. Kirk some questions in the hope that he may have discussed it at the Regina meeting.

First of all, Mr. Kirk, you say the federal government should establish equitable transportation cost at the farm for feed grains throughout eastern Canada and British Columbia.

Can you expand a little on the word "equitable"? Are you suggesting the price should be comparable to the price paid by the feeders of livestock on the prairies, and that there ought to be sufficient freight assistance to take up most or all of the transportation costs?

Mr. KIRK: I do not think I can give a precise interpretation of the word "equitable" as it appears in this resolution in terms of application.

What the resolution does is to establish the belief of a public meeting of delegates in the principle of equity in cost. That really is as far as it went in terms of policy making on that occasion. We have a feed freight assistance policy which has been newly set up in a particular way. There have been some problems here and there, but largely it has been accepted by our producers as a bona fide effort to achieve a reasonable degree of equity in this matter. This involves the payment of a considerable proportion of the actual cost of transportation, in slightly varying degrees, from lakehead to destination.

I am not in a position to develop a new feed grain policy proposal on the basis of the word "equitable".

Mr. OLSON: Inasmuch as you are advocating that this be an agency of the federal government, I assume you are recommending that there would be rather large amounts of capital or credit made available to this agency for the purpose of purchasing grain at the most reasonable times of the year.

Mr. KIRK: That is a policy matter to which, again, I am afraid I do not have answers. Obviously, provision would have to be made for the agency to operate. Mind you, when you buy grain you have an asset, you know; but it would be necessary to put it into a position to operate.

I do not know that I should say anything more about the position of the agency with respect to its operations in a business sense, except to say that, as with the wheat board, I would rather think the presumption is that it will operate on a basis of meeting its costs in a general way under normal conditions. That has been the policy of the wheat board. Again, these are matters on which I cannot refer to specific policy decisions.

You must understand that this policy has not been developed in the sense of a small study group making an exhaustive examination and determining precisely what is meant. This is a policy which was evolved to a considerable degree in broad strokes in a delegate farmers' meeting. I do not mean by that that the policy is inadequate, but it is by no means totally defined in terms of all the complexities of setting up the board and writing the legislation.

Mr. OLSON: Is it envisaged in the discussions that took place that this agency would sell the grain at a slightly higher cost than that at which they purchased in order to meet their operational costs and some of the storage