

Mr. BEER: Do you think this should be so much per ton or do you think it should be a percentage of the freight to that destination, whatever it may be?

Mr. NICHOLS: In the present plan, as I understand it, it is all on a tonnage basis, is it not? Then, as it gets out into other areas, so many dollars per ton are added to help with the freight.

Mr. BEER: If I were farming in the Chatham area and I had a brother-in-law in the Seaforth area, would I be eligible for freight assistance?

Mr. NICHOLS: We are not suggesting that the producer get anything. The man who buys it in the east will get that to help pay for his freight. The only advantage to the producer is that it gives him an additional market for his product and he is not handicapped by subsidized grain from the west.

Mr. BEER: In order to make it workable I think it has to be effective from some particular point, and I do not feel that the source of origin could be used in that case. It would have to be some point removed from that particular area, let us say immediately outside. When it moves outside the immediate area, then some assistance might come into play that would amount to a certain percentage of the over-all transportation costs, because if it were done on a straight tonnage basis beginning at the source of origin this would apply if it went a very few miles and it might be advantageous to move it a very few miles. Certainly we would not be able to encourage that kind of discrepancy.

Mr. NICHOLS: We are not suggesting this should be within the province. This is, for example, for grain that will go to Quebec and the maritime provinces.

Mr. BEER: The assistance would start at Montreal or some place outside the province?

Mr. NICHOLS: It could. Let us suppose it is \$5 a ton as at present and the Montreal bought corn from Chatham. They would figure on \$5 per ton freight assistance to bring that corn in to sell for feed and use the same policy as on all other feed grains, filling out these forms and all the rest of it.

Mr. BEER: We would have to move beyond—

Mr. NICHOLS: Out of Ontario.

Mr. BEER: Then there is no difference of opinion in this regard?

Mr. THOMAS: May I ask for a little clarification? I understand Mr. Nichols intimated that this subsidy should be only for assistance to the feeders who are using the product in southwestern Ontario. I was suggesting that the subsidy was required to the producers in southwestern Ontario as an offset to the impact upon them of the freight subsidy on grain from the west.

Mr. NICHOLS: I would not object to taking it, but I am not too sure that I would be on sound ground. I do not mean to contradict your thinking; I appreciate your assistance. However, that would be pretty hard to work. That would give us an advantage twice, I believe. At the present time we are handicapped, as you intimated, because the consumer gets the assistance on other grain.

Mr. THOMAS: I asked the question relating to barley and the substitution of barley for corn. If this barley were substituted for corn in the Chatham area it would lower the price of corn by \$5 per ton. The freight assistance subsidy lowers the price of grain in southwestern Ontario by the amount of the subsidy; there is no doubt about that.

Mr. NICHOLS: That is right.