

tion and Acts do not unduly restrict credit to a degree where this would have any adverse effect on the future development of this industry.

If the intent of Bill C-5 is to find some way to provide means whereby the grower's risk is on a sounder basis then we support the intent. We feel that an ounce of prevention is worth more than a pound of cure. If growers at present lack the means to secure proper credit information on which to decide whether or not they should contract with a processor certainly something should be done to correct this situation.

In Ontario, which is a major producing area for a number of processing crops, we feel there is ample provision in the Farm Products Marketing Act to permit satisfactory investigation of the financial responsibility of a processor. We feel growers can and should investigate the financial responsibility of each processor and, if not satisfied, they can have such a firm refused a licence.

You have the opportunity today to question witnesses from all areas in Canada on this subject of credit information available to growers or their Boards.

We fully appreciate the seriousness of the situation where a grower has been unfortunate enough to contract with a processor who goes into bankruptcy or liquidation prior to the grower having been paid for his goods. We fully concur that steps should be taken by the growers, or their appointed organization, that will provide some protection and relief in such circumstances. This might take the form of some plan of insurance or a levy to go into a pooled fund whereby such loss is provided for on a share basis.

In 1962 the total acquirements of Canadian fresh fruits and vegetables used in processing of food commodities amounted to:

(a) Fruits .....	tons	231,579
(b) Vegetables .....	tons	896,586
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Total .....	tons	<u>1,128,165</u>

A very small levy per ton would soon create a very substantial fund to cover losses through bankruptcy.

The suggestion has been made that a contract between a grower and processor might contain a clause covering payment to the grower. In British Columbia there is a clause in their contract for peas, under which the processor must provide the grower with security for any unpaid balances after September 15th. This clause was brought into effect after a processor had gone into bankruptcy.

We have already pointed out the importance of the grower to the food processing industry. We look upon the grower as a very important segment of our industry, as a business man rather than a wage earner. It should be kept in mind that the processor's relation with the grower goes far beyond the mere contracting of acreage at a fixed price. The processor, in many instances, supplies the seed or plants and, through his fieldmen, provides the grower with a program for fertilizing, spraying and crop control.

Even though the grower and processor are so closely related in the production of processed foods, we feel that each segment of industry must be looked upon as a separate business and that when it comes to financial arrangements this is a matter of negotiation and agreement between those involved. To give preference to any particular creditor or class of creditor for goods