

Mr. GRAY: So, if you are assured by students of these matters and other experts in these lines that this was unlikely to happen you would not have the same concern that you exhibit in your brief in respect of Mr. Whelan's bill.

Mr. ROBINSON: I cannot see how you are going to change either the Bankruptcy Act or section 88 of the Bank Act without it having a very serious effect.

Now, let us take a look at this first and then perhaps we can argue it. I cannot see how this can be done without affecting the credit situation. I think we all realize, particularly Mr. Whelan, the sponsor of the bill, that it is not the big processing companies that are too much involved here; it is the smaller companies, the newer ones coming along, and they would be the ones that might have serious difficulties in getting sufficient from the bank if there are any drastic changes made.

Now, these small processors in the areas in which they operate are just as essential to that area as the big giants are in the area in which they operate. I may get my knuckles rapped for using the words "big giants". But, no matter whether he is big or small he is playing an important part with the local farmers.

Mr. GRAY: Can you tell me why the farmers are bearing the brunt of establishing new firms in your industry?

Mr. ROBINSON: I have never said he was bearing the brunt. Who made this statement?

Mr. GRAY: Well, that is the impression I got. You indicated the problem would be most serious for a smaller and newer processor, the ones who have just started and who, in your opinion, if this bill was passed, would find it very hard to obtain credit. In other words, this would seem to me to indicate that if a small processor, that is, a new man, went bankrupt having obtained credit under section 88, then the farmer who presented him his crop would, in effect, bear the brunt of the problems of this new fellow getting started and not being able to make it.

Mr. ROBINSON: I think I can go along with that only a very short distance.

Mr. Limoges, in addition to being the president of the Quebec Canners Association is closely connected with the financing, much more so than I am, and I am going to ask him to pick up after I have made this comment on your question.

A processor who is going to operate in a given area will sit down and decide what his objectives are going to be, so many cases of peas, beans, corn or what have you, and then I would assume— and, this is where I would like Mr. Limoges to take over—this processor goes to his bank to arrange a line of credit for that year's operation based on his program. Now, if he just goes in there and it happens to be a sunny day and he has caught the fellow after a big meal and he says: O.K., I need \$100 million and gets it without any further ado than that I would think your point would be well taken.

I would now ask Mr. Limoges to add something to what I have said.

Mr. GUY LIMOGES (*President, Quebec Canners' Association*) (*Interpretation*): Mr. Robinson was saying a moment ago that my field was rather that of financing. I perhaps should mention that my particular field is chairman of the association of canners of Quebec and more concerns my relations with farmers concerning contracts of canning fruits and vegetables. Therefore, as a representative of the Quebec association I would rather wish to confine myself to the matter of contracts rather than to loans from banks.

Mr. Robinson is correct in what he says in respect of the small canners or conditioners, as we call them, in that they present a balance sheet and then obtain the amounts required in proportion to what is represented.