

Mr. ROBINSON: Our service to the processor is on all types of federal legislation affecting grades, containers, food and drug regulations, import-export, transportation costs, quality control, sanitation in plants, and things of this nature.

I think I prefaced my remarks at the outset this morning by saying the area in which you are dealing here, in negotiations, is an area within the province. None of these contracts is a national contract; they are down at the provincial level.

Mr. RYAN: But the Bankruptcy Act, of course, is a federal act.

Mr. ROBINSON: The Bankruptcy Act is national; this is not.

Mr. RYAN: Has your organization been giving consideration to this problem for any length of time or has it just come to you recently?

Mr. ROBINSON: It has only come to us since the introduction of Bill C-5.

Mr. RYAN: I had gained the impression earlier that you told Mr. Thomas that the association would be unwilling to set up a fund because maybe it would be too much bother for it or it may be unable to handle such a fund. Is this the case or is it not? Would your association be able to handle such an indemnity fund?

Mr. ROBINSON: If such a fund was created it would not be handled through the association, if by handling you mean the mechanics of receiving the contributions and paying out. I think this would be done through whoever underwrites the fund.

Mr. KLEIN: Could you tell us if there is a breakdown, percentage-wise, of the prime material that goes into the finished product. Do you break it down so much for material, so much for work, so much for overhead and so on?

Mr. ROBINSON: You are talking of a cost factor breakdown?

Mr. KLEIN: Yes. I would like to know the percentage of the primary producers' product in your finished product.

Mr. ROBINSON: It will vary. I will just give a very rough guess and say that in the factory cost of the end product the raw product will vary anywhere from 20 per cent to 30 per cent of that cost. This would be my guess.

Mr. KLEIN: Twenty per cent to thirty per cent? What about the workmen? What about the labour? What is the cost of labour?

Mr. ROBINSON: The management and labour, if I remember my figures correctly, including administration and warehousing, is grouped into one figure which comes in roughly at around 20 per cent or 25 per cent.

Mr. KLEIN: And materials?

Mr. ROBINSON: Materials, cans, cartons, labels—pretty soon you are going to say to me that it does not add up to 100 per cent.

Mr. KLEIN: No.

Mr. ROBINSON: I have always said very roughly—and I do not think I am too far out, but Mr. Limoges would know better than I—that our raw product was 20 per cent to 25 per cent or 30 per cent of the factory cost of the finished product. That is for the cans, cartons and labels, which would represent roughly a third. Administration, wages in the factory, and the warehouse cost would be the balance.

There is one point I would like to make if I am not out of order.

The CHAIRMAN: Are you answering Mr. Klein's question?

Mr. ROBINSON: I am answering another question.

The CHAIRMAN: Go ahead.