

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 purchased or contracted for would create a situation that would prove very dangerous. We feel the following will illustrate and justify our concern in this regard:

This shows the value of purchases in 1961 for the specified items as compiled by the Dominion Bureau of Statistics in their report "Fruit and Vegetable Canners and Preservers, 1961"

Canadian grown fresh fruits	\$17,254,000
Canadian grown fresh vegetables	34,265,000
Metal Containers	55,538,315
Glass Containers with cartons	10,384,310
All other (cartons, labels, caps, etc.)	15,649,640

If any segment of industry becomes a preferred creditor for any reason it will certainly result in other creditors asking for the same treatment. In our opinion it would bring on a chain action that would result in confusion and discrimination with the result that credit would be restricted and the future development of the industry severely affected.

We believe that the sponsor of bill C-5, Mr. Eugene Whelan, M.P. for Essex South, has rendered the processing industry a great service through his desire to improve the credit risk and security of primary producers. We feel much can and should be done to correct this situation. Other industries, such as the dairy and fish industries, have found a solution to this problem of payments. We respectfully submit that what others have done we can do and assure you of our earnest and sincere desire to cooperate in reaching a satisfactory solution.

The CHAIRMAN: Thank you very much, Mr. Robinson.

Would the members of the committee wish to hear Mr. Limoges' submission at this time.

Mr. ROBINSON: Mr. Chairman, his submission has been embodied in the one I read.

The CHAIRMAN: In that case I would ask the members at this time to direct any questions which they feel may be helpful to either of these two gentlemen.

Mr. GRAY: Mr. Chairman, before beginning with the few questions I have I think we should thank these witnesses, even in advance of our questioning them, for coming today after arrangements were made for them to be here last week, when a broader segment of their industry would have been present.