

panies, with a request that they insure the present loans that processors obtain under section 88 of the Bankruptcy Act against bankruptcy or insolvency?

Mr. ROBINSON: As far as I know, there has been no move in this direction.

Mr. RYAN: As far as you know that field is entirely unexplored?

Mr. ROBINSON: As far as I know, yes.

Mr. RYAN: Do you believe that the processors would object to paying an insurance premium for such insurance by, say, a deduction from their loans under section 88 of the Bankruptcy Act at the time they obtain the loans, this premium to be put into a fund to pay off the loan in full in the event of insolvency of the processor? Would they object to half of one per cent or one per cent being taken off?

Mr. ROBINSON: I would like to transfer that question to Mr. Limoges who is a processor. If any of these things are done, no matter at what level, they have to be built in to the price somewhere.

Mr. LIMOGES: I think this question will have to be put to our members. We will be able to give an answer later when it has been put to them.

Mr. RYAN: You would not like to give an answer now?

Mr. LIMOGES: No.

Mr. ROBINSON: No.

Mr. RYAN: Would you agree, Mr. Robinson, that if this bill went through it would not hurt the credit of the big processors in the industry, but just the shaky ones?

Mr. ROBINSON: From what information I have had, I think the large corporate bodies feel it would not affect their credit at all.

Mr. RYAN: Then it is just the shaky ones who are worried about it?

Mr. ROBINSON: They may not be shaky; they may be of a medium size and trying to operate on \$½ million credit.

Mr. DOUGLAS: They are trying to operate on someone else's credit.

Mr. RYAN: Would you agree it would be likely to be the borderline companies that would be affected?

Mr. ROBINSON: I cannot help but feel personally—and I cannot speak for the industry—that it would be a hardship to the smaller, less well financed operators.

Mr. RYAN: Do you feel these people are people who should be shaken out of the industry?

Mr. ROBINSON: That is a little difficult to answer. I would think that could be so.

Mr. RYAN: What sort of operators have caused this trouble? Give an analysis of what seems to have created this situation.

Mr. ROBINSON: You might find one set of conditions that has brought about hardship one year and an entirely different set of conditions the next year.

Mr. RYAN: What about your own experience?

Mr. ROBINSON: I am not a processor. I never have been a processor. That is why I find it so difficult to answer some of the questions. I am only employed as the manager of the national association.

Mr. RYAN: Is this a tightly knit association or rather a loose one?

Mr. ROBINSON: What do you mean?

Mr. RYAN: What is the service you render to the processor? Maybe that would be a better way to put it.