

ducer names a price and if he names a price that is higher than the market he will probably be told by the broker "all right, we will see what we can do". The chances are, however, that the producer will not sell the butter.

Mr. WINTERS: You used the expression "higher than the market". Who sets the market?

Mr. SILVERWOOD: If you set a price on your butter that is higher than the price which the majority of those in the industry think is the correct price for butter, you are setting a price higher than the market.

Mr. LESAGE: The market is the figure at which the majority are ready to sell their butter.

Mr. SILVERWOOD: What is that?

Mr. LESAGE: The market price is the price at which the majority are ready to sell their butter?

Mr. SILVERWOOD: That is right.

Mr. JOHNSTON: Would the market price not be affected by certain concerns withholding their butter for sale? We had one concern, the Saskatchewan Co-operative Association who told us they withheld their butter awaiting a rise in price. Canada Packers also did the same thing. Now would not those concerns exert an influence on the market by reducing the available supply and increasing the demand? They would be increasing the price?

The chairman, Hon. Paul Martin, resumed the chair.

Mr. SILVERWOOD: I do not think I would like to comment on that remark other than to say that when I read the evidence of Mr. Turnbull it seemed to me it was a very small amount of butter that they were holding back as compared to the total amount available at the time.

Mr. LESAGE: Everyone says that his firm is withholding only a small amount, but when everyone says it, and when everyone withholds to get a better price, it has an effect?

Mr. SILVERWOOD: Well, if they did it together—

Mr. JOHNSTON: They are doing fairly well.

Mr. SILVERWOOD: I do not agree with that.

Mr. LESAGE: I do not say there was a combine but it just happened?

Mr. SILVERWOOD: I would not agree with that.

Mr. MONET: Is it not a fact that last fall everybody made a substantial and abnormal profit on stored butter?

Mr. SILVERWOOD: I do not think that anyone would deny that.

Mr. JOHNSTON: They held the butter for that very purpose.

Mr. SILVERWOOD: No, they did not necessarily hold it for that purpose. They held it to take care of their trade. In the case of firms such as ours, there are customers in every city in which we operate who are looking to us for the supply of butter the year round. If we want to have butter in the wintertime we must store it in the summertime and there is no argument there.

Mr. MONET: Did they not take care of their trade in the previous years?

Mr. SILVERWOOD: Yes, for stored butter. We store butter every year.

Mr. MONET: Apparently they all lost money in the previous years.

Mr. SILVERWOOD: That may be so.

Mr. MONET: How does it happen they made such a substantial profit last year?

Mr. SILVERWOOD: On a rising market they could not very well lose money.

Mr. MONET: Why did it rise more than the previous years?

Mr. SILVERWOOD: It was uncontrolled last year.