

The WITNESS: Fortunately.

Hon. Mr. HORNER: Last year the Saskatchewan co-operative creamery exported about 1,500,000 pounds of butter. The price the farmer of Western Canada has been receiving for his cream has been very low until just recently.

By Hon. Mr. Gillis:

Q. I think you said a little while ago, Mr. Robinson, that cheese making is less profitable than butter making at prevailing prices?—A. I judge that from the tendency that cheese making continues to decline. After some years' experience in producing dairy products, I personally would be very chary indeed of making positive statements as to the profitability or otherwise of given branches of agriculture. To my mind we hear far too much of statements that the cost of production of a certain agricultural commodity is a certain figure. I would never venture to make any such statement. The cost of production in agriculture does not mean the same as it does in the city. Farmers can and do go on producing things at a book loss for years. I do not say they should be called upon to do so, but they have been called upon to do so, and it produces a decay of country life. But the process does not stop. Whereas if the manufacturer is called upon to produce anything at a loss, he does not continue to do so for a number of years; he soon shuts his doors. I remember at the beginning of this lamented period we were told that wheat could not be produced in Western Canada at less than 75 cents a bushel, but it is being produced and will continue to be produced for a while at less than that figure.

Hon. Mr. BURNS: Yes, even at 30 cents.

The WITNESS: Yes. Surely cost of production depends upon the scale of living of the farmer's family, the amount of family work he puts into his farm, the amount of return he considers necessary for his own personal labour, and the interest on his investment. This may be zero for years at a time, and often is, but that does not stop him. It does not stop me making milk because I am getting no return on an investment of \$40,000. And, mind you, that is an investment figured at present values, not on past values, which are double. Even then I cannot get any interest return, but the capital is there. If I had the same sum put into paper securities I would not have that same assurance.

By Hon. Mr. Burns:

Q. Your plant wears out, though. The cows wear out?—A. Yes, but they also have calves. They are self-repairing machines.

By the Chairman:

Q. I gather from what you say that at the present time you are producing and selling milk below cost. You tell us you are not making any interest or providing for replacement.—A. No, I am not.

Q. Of course, you are in a different position from the ordinary farmer, because you are operating in a large way and you naturally have to pay for your help?—A. Yes.

Q. It is not a matter of your own family doing it?—A. Quite.

Q. If times get better and the cost of labour goes up, it would be natural that the cost of producing milk would go up?—A. No doubt.

Q. So that you would have to get a still higher price?—A. No doubt.

Q. I think the consumer feels that he is paying plenty in the city, right now, so apparently the only solution would be for some economy in the way of distribution?—A. Quite. I hate to think what the consumer will be feeling about it in a few years from now. Then he will be paying prices.

Q. You think he will be paying more?—A. I am quite sure of it.