

Mr. SILVERWOOD: Yes.

Mr. LESAGE: I do not know if the witness has explained what the creamery department does. Is it the manufacture of butter?

Mr. SILVERWOOD: It is the manufacture of butter.

Mr. LESAGE: On manufacturing butter you made 3·17 cents?

Mr. SILVERWOOD: That is right, on the basis of the transfer prices we mentioned a few minutes ago.

Mr. MONET: Of $\frac{3}{4}$ of a cent?

Mr. SILVERWOOD: Yes.

Mr. MONET: But even without the $\frac{3}{4}$ of a cent there would still be quite a substantial profit on your creameries?

Mr. SILVERWOOD: That is right.

Mr. MONET: I see on your creamery department for all the previous years you also made a profit?

Mr. SILVERWOOD: That is right. Of course, you realize we are talking now of gross profits.

Mr. MONET: Absolutely.

Mr. SILVERWOOD: Not net.

Mr. MONET: Because on page 2 of statement 6 you show the expenses against these profits?

Mr. SILVERWOOD: Yes.

Mr. MONET: We are talking of gross profits as you have listed them there?

Mr. SILVERWOOD: Yes. I might explain again—possibly it may not be clear to members of the committee—that column O shows the profit on the total sales. In other words, the \$334,494 on page 2, column O, is the total of column D, the profit on the creamery, column G, the profit on the current, plus column J, the profit on the storage, plus column M, the profit on the milk wagon butter. In other words, it is the total of all those four columns.

Mr. MONET: That 5·17 that is under column P?

Mr. SILVERWOOD: That is right. We have left the profit in those four departments to show it by departments.

Mr. LESAGE: For instance, you have total production of four million odd pounds in the first column, column B?

Mr. SILVERWOOD: Yes.

Mr. LESAGE: Is a part of that four million odd pounds included under column H?

Mr. SILVERWOOD: In column H—yes, part of the make would be.

Mr. LESAGE: So it is possible on a certain number of pounds out of those four million pounds you made a profit of 3 cents?

Mr. SILVERWOOD: Quite right.

Mr. LESAGE: Out of the creamery, and over that a profit of 11 cents?

Mr. SILVERWOOD: That is quite right.

Mr. LESAGE: So there would be on a part of this four million odd pounds a profit of over 14 cents. If you do not want me to call it a profit I will say a gross margin.

Mr. SILVERWOOD: That is quite right.

Mr. MONET: I was just coming to that in the very next question.

Mr. LESAGE: I wanted to understand that it was the same butter.

Mr. SILVERWOOD: Some of it is the same.