

I think that is one of the reasons why some of those little creameries can compete with some of the bigger creameries and pretty nearly run them ragged. Have I made myself clear?

Mr. LESAGE: Yes, they do not need to take such a margin on butterfat? Their operating costs are less?

Mr. SILVERWOOD: Yes, their operating costs are much lower.

Mr. IRVINE: I think some of the larger concerns have shown here that while they have temporary losses now and then the over-all picture indicates a fairly profitable business.

Mr. SILVERWOOD: Unfortunately that is not our situation. I wish it was.

Mr. HOMUTH: Well now, Mr. Chairman, do the statements given to us here show what Mr. Irvine alleges? I think you will find it is just the opposite, and that while there was that unprecedented rise where certain sellers of butter made a huge profit, the general picture is just the opposite to that which Mr. Irvine has indicated?

Mr. IRVINE: I do not think we should open up that discussion because we will have to inquire into it later.

Mr. HOMUTH: Well, just for the record I think you should check that.

Mr. IRVINE: I think my view will be sustained by the facts.

The ACTING CHAIRMAN: The answers to those questions will come out in the schedule and the facts will be quite obvious to everyone. At the moment, however, I think you would have to do some guessing on the question before us.

Mr. MONET: Has there been any increase in the cost of production since decontrol?

Mr. SILVERWOOD: Yes, Mr. Monet. I would say there has been an almost continuous increase in the cost of production in the past year.

Mr. MONET: Would you tell the members of the committee what you are including in cost of production? I think you have referred to cost of production in the information given in exhibit No. 71.

Mr. SILVERWOOD: Yes, it is contained in several of our statements here.

Mr. MONET: Well, would you tell the members of the committee to what statement you are referring at the moment?

Mr. SILVERWOOD: Statement No. 4, page 1.

Mr. MONET: Of exhibit No. 71?

Mr. SILVERWOOD: Exhibit 71, column E, is the cost.

Mr. IRVINE: Where is column E?

Mr. MONET: On statement No. 4.

Mr. SILVERWOOD: You are looking at page 3.

Mr. MONET: Turn to page 4.

Mr. IRVINE: Oh, page 4, I see.

Mr. MONET: Yes?

Mr. SILVERWOOD: We have numbered the pages on each of our statements.

Mr. MONET: You are referring to statement 4, page 1—the statement has two pages.

Mr. SILVERWOOD: On statement No. 4, page 1, column E, the figure given there as cost is the cost of butterfat at the farm or delivered by the patrons to the creameries, plus purchases of butter at cost. Is that clear? Column E is the cost of butter at the farm, or delivered to the dairy by the farmer, plus the purchase of butter at cost. The next column, column F, purchasing expense, includes wages and commissions. For instance, in many of our creameries we operate our own trucks which go out and collect cream at the farm.