

Mr. SILVERWOOD: That is right.

Mr. MONET: What do you mean by "trading profit"?

Mr. SILVERWOOD: What column?

Mr. MONET: Column O, "total butter trading profit."

Mr. SILVERWOOD: Column O refers to what we would call gross profit, in other words, profit before indirect expenses.

Mr. MONET: You have already given answers to questions on indirect expenses.

Mr. SILVERWOOD: It is the gross profit after deducting the expense of purchasing and production and selling as shown on statements 5 and 4. You will find, as a matter of fact, in column P on statement 6, that the 5·17 cents gross profit for the eleven months—at the bottom of column P—is broken up by months on page 2 of statement 5 in column M.

Mr. MONET: For the moment we will remain on page 2 of statement 6, if you do not mind. I should like to point out that in column O the total of the trading profit for the years 1939 to 1947, both inclusive, was \$746,499?

Mr. SILVERWOOD: Right.

Mr. MONET: That was for total sales for the same period of years of 47,610,518 pounds.

Mr. SILVERWOOD: That is correct.

Mr. MONET: And that would be an average, as shown under table P, of 1·57?

Mr. SILVERWOOD: Just over 1½ cents per pound.

Mr. MONET: If you look at the eleven months for your current fiscal year ended February 28, 1948, your trading profit amounted to \$334,494?

Mr. SILVERWOOD: Right.

Mr. MONET: Under column O.

Mr. SILVERWOOD: Yes.

Mr. MONET: That would be on 6,470,198 pounds, or an average of 5·17?

Mr. SILVERWOOD: That is correct.

Mr. MONET: So your net profit for the current fiscal year on the amount just mentioned would be 2·53 per pound?

Mr. SILVERWOOD: That is correct.

Mr. MONET: If you compare that with all the previous years from 1939 to 1947 I am right in saying that in all previous years you had a loss?

Mr. SILVERWOOD: Yes, each year was a loss.

Mr. MONET: So that for this present year on your total operations you made a substantial profit, would you call it?

Mr. SILVERWOOD: It was certainly substantial for us, wasn't it?

Mr. MONET: Would you call it an abnormal profit?

Mr. SILVERWOOD: Yes, it was an abnormal profit.

Mr. MONET: From 1939 up to this present fiscal year you had losses every year?

Mr. SILVERWOOD: That is right; it was an abnormal profit.

Mr. MONET: I should like the members of the committee to consider with you and myself the profit operation on each department as shown in columns B, C and D on page 1 of statement No. 6. Your creamery department shows a profit of 3·17 for the present year?

Mr. SILVERWOOD: That is correct.

Mr. MONET: And the current butter a profit of 1·13?