

Q. That is the middlemen's profit?—A. Yes. And since with possibly one or two exceptions in Montreal they are all losing money, it is rather difficult to say that that should be at the moment reduced.

Q. You do not think that what they are making is exorbitant?—A. What they are charging is exorbitant, but not what they are making, sir. They are not making anything.

*By the Chairman:*

Q. Do I understand you to say that the distributors are not making anything?—A. No, sir, they certainly are not. I omitted to say, and I would like it inserted at the proper place in my statement of what I was doing, that I am also a director of several dairy companies, and therefore speak with some knowledge when I say that we are not making money.

Q. The dairy companies make a business of supplying milk to people in Montreal?—A. Yes, sir, Montreal, Toronto and western cities also.

*By Hon. Mr. Sinclair:*

Q. When you say they are not making money, what is the cause of it? Can they not collect, or are there any other special reasons?—A. The causes are very complex, sir, and would take a long time to explain. But briefly, they are entirely excessive costs, based on luxury services, over-competition, some over-capitalization, reduced volume, and relief milk, which they are compelled to sell at a reduced price, although it costs just the same to deliver as any other kind of milk.

Q. It has to be sold at a set price?—A. Yes, these are a few of the reasons, and all of them could be amplified.

*By Hon. Mr. Horner:*

Q. Have you a knowledge of the workings of the Milk Pool of Saskatoon?—A. Yes, sir.

Q. It is working satisfactory, as far as the company is concerned?—A. So far.

*By Hon. Mr. Little:*

Q. When you say that there is a spread of twenty-six cents a gallon, is that at the present time, taking this relief milk into consideration?—A. Yes, sir. I am speaking very generally, Senator Little. I think it is about that at the moment, but I would have to refresh my mind with figures. Relief milk in one of the companies in which I am interested works out between 18 and 20 per cent of the whole volume they sell, and they have to sell it for one and a half cents a quart less than the ordinary price. If they stopped selling it they would lose the customers, if as and when any of the families stop being on relief. However, the rectification of these troubles is not, I take it, part of the purpose of this inquiry, and it would be a very long story to go into.

*By Hon. Mr. Gillis:*

Q. Do you think the public is pretty well treated by those dairy organizations that are taking the milk from the farmers? Do you think they are not robbing the people at all?—A. Such robbery as might be charged to them is incidental to a chain of mistakes extending back over a decade or more. It is the inevitable result of faulty policy, and faulty ideas and ideals on the part of distributors and the public, extending away back over the last twenty years, ever since the war started. It is not that they have consciously or wickedly upset an ideal arrangement this year and started to rob the public. They are fighting for their lives and doing all sorts of crazy things, because they have been doing crazy things ever since 1914.