

so I would say the producer did benefit as the market went up and naturally he would get more for his fat. Naturally anybody who was holding butter benefited by the increase in market price; all the people in the trade who are in the butter business, the business of making butter or holding butter, they all benefited by having more butter because of a better price. I guess perhaps to a minor extent that might be a true statement too.

Mr. MONET: Well, I understood you said it allowed the consumer to have more butter?

Mr. SILVERWOOD: To have more butter—I did not understand you correctly.

Mr. MONET: Do you agree with that?

Mr. SILVERWOOD: I think to some extent that is true.

Mr. JOHNSTON: Which of the three would benefit more?

Mr. IRVINE: The cows would milk more because the price was up.

Mr. SILVERWOOD: No, just because of a small amount of conversion between butter and cheese, something like that.

Mr. JOHNSTON: Which one of the three benefited most because of that? I can quite well see where they all benefited to a certain degree, but which of the three benefited most?

Mr. MONET: If you will allow me I will also ask him to what extent each of them benefited out of the whole.

Mr. SILVERWOOD: I think that may be a rather difficult question for me to answer. The butterfat price increases, as I said, with the butter market. Naturally, the higher the price of butter the bigger the spread between fat and butter. In other words, you have we will say an overrun of 20 per cent or 25 per cent, whatever it is. That overrun on a 40-cent market might be the equivalent of say 10 cents to the producer, but on a 67-cent market it might be the equivalent of 15 cents to the producer.

Mr. JOHNSTON: Yes, but would it not be important then that the producer was not producing the quantity he was producing before, because that increase in price came on toward the latter part of the production season?

Mr. SILVERWOOD: That is true, of course.

Mr. JOHNSTON: So the person who had it in storage, who could buy it during the period of heavy production and low price and then sell it at the increased price later on would benefit more than the producer?

Mr. SILVERWOOD: To the extent that they were holding let us say June butter bought at somewhere around 50 cents, probably that is right.

Mr. JOHNSTON: No "probably" about it; it would be definitely right, would it not?

Mr. SILVERWOOD: Yes, but I do not know you could compare the two. It is a difficult question to answer, who benefited the most. There is no common denominator there.

Mr. LESAGE: The business is not the same.

Mr. SILVERWOOD: Not at all.

Mr. IRVINE: I suppose all the answers to that question which he can really give is, how much he benefited himself.

Mr. SILVERWOOD: We can tell that of course. I have given figures which show to what extent we, as holders of butter, benefited.

Mr. MONET: We will come to that feature a little later in the questioning. Is that the only information you can give at the moment?

Mr. SILVERWOOD: I think that is my answer on that question.