

Mr. SILVERWOOD: That is so.

Mr. MONET: In the month of August?

Mr. SILVERWOOD: Yes, that is right; at that time there was more storage space available than there had been earlier.

Mr. MONET: Would you also say that there was more butter stored at that time?

Mr. SILVERWOOD: Well, I think so; yes.

Mr. MONET: Would the storage of butter be a cause of increasing the price?

Mr. SILVERWOOD: No, I would not say it is a very important cause, because butter has to be stored; otherwise there would not be enough for the wintertime. It is a common practice to store it, to have it stored every year.

Mr. MONET: Well, the butter that you stored would not be on the market, would not be sold.

Mr. SILVERWOOD: That is right; of course, there is more production in the summer months, much more than can be consumed, and someone has to store it.

Mr. MONET: So actually the fact that it was stored would not affect the price at that time?

Mr. SILVERWOOD: No, not the butter stored at that time; not to the extent that it might later on if it had not been stored.

Mr. LESAGE: I cannot understand how a lack of storage space would have the effect of increasing the price at the time. I would think it would be to the contrary. If there is no storage space there is more butter for immediate sale and that would normally have the effect of decreasing the price.

Mr. SILVERWOOD: We said, Mr. Lesage, that lack of storage space in general was one of the factors that went toward an inactive market at that time.

Mr. LESAGE: Oh!

(Mr. Mayhew assumes the chair)

Mr. SILVERWOOD: The market was comparatively inactive for a couple of months after the 9th of June and we stated that one of the reasons was that lack of storage space at that period. Later on the storage space situation improved.

Mr. LESAGE: So that the large buyers of butter could not find any place to store it?

Mr. SILVERWOOD: That is so.

Mr. MONET: Now, Mr. Silverwood, are you familiar with the operation of the Commodity Exchange?

Mr. SILVERWOOD: No, I do not know anything about it.

Mr. MONET: You do not know anything about it?

Mr. SILVERWOOD: No.

Mr. MONET: You have already stated that you do not do any buying on the Commodity Exchange at all?

Mr. SILVERWOOD: No, we do not.

Mr. MONET: Now, Mr. Silverwood, we have just spoken about the rise in prices. Can you tell members of the committee who in your opinion would benefit most from the rise in price in these different periods we have mentioned; would it be the producer, the manufacturer or the wholesaler; and to complete the question because somebody mentioned it, the consumer also benefited by it and I would include the consumer and the producer?

Mr. SILVERWOOD: Well, to start with the producer; he benefited as the market rose practically immediately because butterfat prices follow the market so swiftly that there is no drag there between the butter price and the fat price,