

Mr. MONET: It has been given in evidence that there is 1.23 pounds of butter in a pound of butterfat.

Mr. LESAGE: That makes a spread of 6.4 cents.

Mr. IRVINE: That is a reasonable spread.

Mr. LESAGE: It includes manufacturing costs.

Mr. MONET: Would you give the answer to that question, Mr. Silverwood? Have any of the gentlemen with you figured out the answer to Mr. Irvine's question.

Mr. SILVERWOOD: I think Mr. Lesage had it figured out correctly.

Mr. MONET: Then you take Mr. Lesage's figure as being correct?

Mr. SILVERWOOD: I think so.

Mr. MONET: I understand there was a subsidy paid on butterfat until May 1, 1947?

Mr. SILVERWOOD: That is right.

Mr. MONET: The subsidy was removed on May 1, was it not?

Mr. SILVERWOOD: That is right.

Mr. MONET: Would you tell the members of the committee if the removal of the subsidy had any effect on the price of butterfat so far as the producer was concerned?

Mr. SILVERWOOD: No, because the government formerly paid the subsidy and when the subsidy was removed the producer still got that in an increased price paid by the butter manufacturer. There was no effect so far as the producer was concerned.

Mr. MONET: Your answer is that the producer did not lose anything by the removal of this subsidy?

Mr. SILVERWOOD: That is right.

Mr. MONET: Did he gain anything by the removal of the subsidy?

Mr. SILVERWOOD: No, I would say not.

Mr. MONET: Did anybody gain from the removal of the subsidy?

Mr. SILVERWOOD: Well, the taxpayer did, I guess.

Mr. MONET: I want to know if your company gained or lost through the removal of the subsidy; did your company lose?

Mr. SILVERWOOD: No, we did not lose and we did not gain, either.

Mr. MONET: You did not benefit from the removal of the subsidy?

Mr. SILVERWOOD: No.

Mr. MONET: What about the butter you had on hand at the time the subsidy was removed?

Mr. SILVERWOOD: We had to pay the 8½ cents a pound to the government for the butter we had on hand at the time the subsidy was removed, so we did not gain by that.

Mr. MONET: You mean to say on every pound of butter you had on hand at the time of the removal of the subsidy your company had to pay 8½ cents?

Mr. SILVERWOOD: Yes.

Mr. MONET: You reimbursed the government?

Mr. SILVERWOOD: Yes.

Mr. MONET: The amount equivalent to the increase?

Mr. SILVERWOOD: Yes.

The CHAIRMAN: It is now six o'clock, so we will adjourn. We will have a steering committee meeting tomorrow night about a quarter to six. It appears as if we will be able to go on with the matter of premium butter on Thursday afternoon.

The committee adjourned.