

Mr. MERRITT: Is it not a fact that last year there were 5,000,000 pounds imported and this year none was imported; last year, butter was under rationing and this year butter is not under rationing, is that not correct?

Mr. SILVERWOOD: That is all true.

Mr. MERRITT: Does that not mean that, without rationing, there would be a greater demand for a fixed supply?

Mr. SILVERWOOD: Well, without rationing there is undoubtedly a greater demand. The figures show that. Even at the present time, of course, it is not as great as it was prior to rationing.

Mr. MACINNIS: If you take 1939, which was a normal year before rationing, you will find it is the year of the company's greatest loss.

Mr. IRVINE: I think this is a losing business.

Mr. MONET: Would it be correct to say this is a losing business except on stored butter?

Mr. SILVERWOOD: Well, I do not know that I would go that far.

The CHAIRMAN: It is difficult to follow when so many people are talking.

Mr. MONET: Mr. Silverwood, would you answer that question? Is the butter business a losing business? From what you and other witnesses have said, it would appear the butter business is a losing business except for stored butter in the year 1947?

Mr. SILVERWOOD: I can only say it has been a losing business for us. I am speaking for our company.

Mr. MONET: It has been an abnormally profitable business for stored butter during this last fall?

Mr. SILVERWOOD: Very unusual.

Mr. MONET: For you.

Mr. SILVERWOOD: I am just talking for myself.

Mr. LESAGE: Before we leave that statement 4, column F, what is included in that purchasing expense? Is it the cost of hauling the milk?

Mr. SILVERWOOD: The purchasing expense is the cost of picking up the fat at the farm and delivering it to the creamery.

Mr. LESAGE: And the average for that is 1.15?

Mr. SILVERWOOD: Practically 1 cent. 1.15 cents.

Mr. LESAGE: I am making a comparison with the statement of the Saskatchewan Co-operative and I find their cost is 1.2. It is about the same.

Mr. SILVERWOOD: We are pretty close there.

Mr. LESAGE: Yes. Your production expense is 3.27?

Mr. SILVERWOOD: Yes.

Mr. LESAGE: That is the cost of manufacture?

Mr. SILVERWOOD: That is the cost of manufacturing, plant, wages, uniforms, light, heat, power and so on.

Mr. LESAGE: Does it include the cost of supply?

Mr. SILVERWOOD: Yes.

Mr. LESAGE: The Saskatchewan Co-operative was 4.5. However, you have a selling expense they do not have. It is about the same.

Mr. SILVERWOOD: They might include factors in there which we included in indirect expenses. For instance, depreciation is one such item. Our depreciation is included in our indirect expenses and I do not know how they compiled their figures.