

#### **MARKETING METHODS EFFICIENT.**

7. Our packing and marketing compare very favourably in efficiency and economy with those of other apple-growers. Growers control associations or concerns handling over 85 per cent. of the crop. Our picking, packing, and selling are performed at low rates and with a high degree of efficiency, considering our high costs of labour and materials.

#### **DISTRIBUTION COSTS REASONABLE.**

8. The distribution of our crop in the markets is done under high charges. The same or higher charges are made on imported apples. The charges, however, are not much different in similar sections, such as the Dakotas, in which the cost of doing business is also great.

#### **FOREIGN COMPETITION THE TROUBLE.**

9. Our great difficulty lies in the character of the American competition, from the State of Washington particularly. The North-western States have apples to supply the entire demand of our markets.

The approximate 1,000 car-loads sent annually to Western Canada affect our outlets and distribution. But these imports, considerable as they are, do not even suggest the extent of the competition or its character.

#### **MARKETS DOMINATED BY AMERICAN QUOTATIONS.**

10. Our markets are flooded throughout the season by the lowest American quotations going. It is practically unknown to make a sale of British Columbia apples until the buyer is fully satisfied he cannot possibly do better on foreign offers. We are compelled to meet and often to go lower than the quotations of both the most incompetent and the most aggressive of North-western shippers. The American quotations absolutely set the market for British Columbia apples, and they are the dominating feature of that market.

#### **COMPETITION MOST UNFAIR AND DESTRUCTIVE.**

11. American competition is not ordinary competition. It is of a character that could not obtain in manufactured articles. It is competition of the most unfair and destructive character, and promises to continue so.

#### **CONDITIONS IN APPLE DISTRICTS OF NORTH-WESTERN STATES.**

12. The North-western States have planted enough apples to supply their markets several times over. Their product has not, for years past, been sold to average the cost of production. The greater part of their orchards must be cut out. Of the 550,000 acres reported to have been planted, 75 per cent. or more must go under to enable the balance to survive. The growers are in bad shape financially and most of them utterly discouraged; the majority have no hope of success. Liquidation is the order of the day. In four years ending 1915 the average selling-price, according to their own authorities, has been over 20 cents a box below average cost of production.

#### **COMPETITORS QUOTE AND SELL TO CANADA 40 CENTS BOX BELOW COST.**

13. They use Western Canada and similar agricultural sections in the United States to get rid of their low-grade apples. Eighty-five per cent. of their shipments to Canada are "C" grade, about equal to our No. 2. The average f.o.b. selling-price of North-western apples shipped to Canada in the past four years is under 70 cents a box, showing a loss of nearly 40 cents a box under average cost of production. It is under such conditions that we have marketed, and must continue to market, 90 per cent. of our crop.

In 1914 many of the "C" grade apples shipped into Western Canada were forced on the market, on consignment, on a guarantee of 30 cents a box. In 1915 a con-