

four years past is under 70 cents per box, or over 37 cents below average cost of production. Often these "C" grade apples are shipped across the line on consignment for what they will fetch. In 1914 they were shipped over on a guarantee of 30 cents per box f.o.b., or at 28 per cent. of the average cost of production. The main thing was to get them out of the way. In 1915, a short-crop year, they shipped many car-loads of wormy or worm-stung apples in bulk to our Prairie markets, some at a nominal price of 45 cents per 100 lb., which even then was not in some cases finally secured. One shipper stated recently that, for a total of such sixty cars, besides losing the fruit and all expenses, he finally had a net loss of \$3,600.

It is under such conditions that we have to market the greater part of our crop.

DUMPING WILL CONTINUE.

21. The "sloughing-off" of low grades of North-western apples in Western Canada, as it has been, and for some years at least will be carried on, constitutes destructive competition of a particularly vicious kind.

OUR BASIC COSTS MATERIALLY HIGHER.

22. Our costs of production are considerably higher in British Columbia than in the North-western States. The average cost per box in British Columbia under an average of good conditions is about 15 to 20 per cent. higher than in the North-western States. Our orchards have been in bearing for so short a period and our industry is so recent in development that accurate records are few. The question can be approached more readily from another view-point, one which eliminates the question of relative efficiency in production, in which we perhaps have more to learn than our competitors. We can compare the costs of the basic factors of production in British Columbia as against the North-western States. In so doing, we find that our labour for four years past averages 10 to 20 per cent. higher in cost; and our materials, such as spray machinery, spray materials, implements, horse-feed, lumber, box materials, wrapping-paper, nails, nursery stock, and the cost of boarding help, average about 25 per cent. higher than in Washington and Oregon. These results of our investigation have confirmed the cost records made on a number of orchards. Our high costs are not due to inefficiency or to unfavourable soil or climate conditions, but to economic conditions general to British Columbia.

CONDITIONS IN 1916 REQUIRE PROMPT ACTION.

23. There is every reason to believe that the 1916 crop in the North-western States will be at least double the 1914 crop, or treble that of 1915; we are advised that the growers and their selling agents generally despair of successful marketing; that, in fact, the conditions of 1914, bad as they were, will be reproduced in greater intensity next year.

The destructive and unfair features of their competition in our markets in past years are likely to reach a new high record of consignment on minimum guarantees, or on no guarantee at all. We have much reason to fear the effects of exceedingly low returns on the British Columbia growers. We accordingly most strongly press on the attention of the Commission that it is of the greatest importance that early action be taken to adequately protect our legitimate markets.

CANADA ALREADY HAS PRODUCTION IN EXCESS OF DOMESTIC DEMANDS.

24. Canada is recognized as one of the principal apple-producing countries. Our exports to Great Britain are about equal to those of the United States.

If imports of apples were prevented for any reason, Canada is able to supply the entire domestic demand and still have a large exportable surplus.

The situation as to Canadian exports, and imports into Canada, for the last six years is shown by the Department of Trade and Commerce, as follows:—