

established years ago, the extreme desirability of such credit being in Great Britain, also, is beyond any possible doubt.'

In connection with the apple industry, do you not think that the observation of Mr. Pratt applies to Canada as well as to Great Britain? That is to say, that in certain cases the existence of small credit associations in the rural districts may be of great use?—A. Might I answer the question in this way without passing upon the general principle? I have found in my actual experience with co-operative associations that where capital was introduced from outside parties, encouraging or necessitating dividends on stock it nearly always works disastrously. I myself was a member of a co-operative association and this feature of it caused its disruption. I would not for a moment set myself up as an authority on the general principle, nevertheless that has been my experience. There should be as little outside capital as possible and as great a utilization of local capital as possible.

*By the Chairman:*

Q. Local capital?—A. Local capital and the capital which is available just among themselves.

*By Mr. Sinclair:*

Q. In what way would you say that co-operation would prevent the waste of fruit?—A. Let me illustrate what I mean. The fruit growers in the neighbourhood of Walkerton have these smaller orchards of five acres to which I referred, composed of many different varieties. In the ordinary way of marketing the apples, the apple operators could not afford to send their packers into these orchards for the early varieties because they would not be able to get a sufficient quantity of individual varieties. Consequently many valuable varieties went to waste, especially those in the earlier part of the season, because the ordinary apple buyer could not afford to go round and gather them from farm to farm. Where there was a large quantity of fruit it would pay him to send a gang of men and a packing plant to put the apples up. Now in the co-operative association, the manager has a list of the varieties and the quantities that each patron has. Therefore he simply sends around a notice 'Bring your Colvert apples' (whatever the variety may be and whether they are five barrels or fifty barrels, 'to the packing house on Thursday next,' giving the growers sufficient time to pack the fruit. These apples would then be brought in and would be packed. These Colverts are in every respect a valuable apple except that they are early and not a good keeper, and there are not many of them on each farm. They were the least valuable apples that the Walkerton growers had until co-operation was introduced; now they count them among their most valuable varieties. Prior to the establishment of co-operation, fifty cents a barrel would have been gladly accepted for these Colvert apples. Now they get from \$1.25 to \$1.50 for the apples placed upon the same market as formerly—perhaps a slightly better market but not sufficiently so to account for this increase in price. Co-operation helps in the matter of packages. Under the old system the dealer, not knowing exactly how many apples he was going to buy, usually gave a small order for barrels—a comparatively small order. When he made his purchase later in the season, he was then forced to give a rush order for a larger number of barrels and consequently to pay a higher price for them. The co-operative associations, with their managers, know the number of members, with whom they constantly are in communication and from whom they can get full reports daily if necessary of the crop. Thus they can calculate how many packages they will need and can give their orders comparatively early in the season, which will be filled at the lowest prices. I have here a cutting that will explain what I mean. This is the report of a fruit-growers' meeting held on February 22 last.

*By the Chairman:*

Q. Where?—A. At Jordan station in the St. Catharines district. A report was