Aug.3rd. 1933.

Dear Sirs :-

The Last Ranch letter was dated Apr;27th. and there has been no word from you since that date.

It was some time before we were able to see the Auditors. The Advances were specially mentioned this year in order to protect themselves. While they have spoken about these advances, mention of them has never been made in their Report. Owing to some court actions over similar items it was thought necessary to report on them this year.

As we have advised you before, the Auditor is strongly of the opion that we should reorganize under Section 19 of the Income Tax Act. They think that sooner or later we will be put in the position of having to pay personal Income Tax on thse advances. You have copies of the correspondence covering this question.

They also point out our joint and several obligation in regard to these Advances. In case the Ranch was forced into liquidation at any time, any one of the Shareholders could be assessed for the total amount by the liqidator. The last paragraph of the Auditor's letter of the 13th of April deals with this.

I have been expecting letters from you in regard to these questions and have put off writing further or taking any action until I knew whether you would be in agreement with reorganizing at this time, and if so as a Private Company.

My recommendation would be that we proceed at once to reorganize. If in the reorganization it is necessary to lose the old Charter that we forget it. That we should reorganize as a Private Company. The question of the difference between the Advances and Surplus, I think can be adjusted.

I wish that you would let me have your instructions as soon as possible on this subject.

Only a few days ago we got our final adjustments made for last years crop, and all adjusting entries are now through our books. The net results are just as bad as I thought that they might be. The figures in my latter of March 12th are very nearly correct. At that time I thought that they were the poorest that they could be and really expected that ~~that~~ things would turn out a little better.

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The following are some of the prices received by us. They are nett prices after all rebates, and the average for all sizes and grades.

Packed boxes delivered OK. Centre wharf

Jonathan	.60.5
Spitzenberg	.42.5
Macintosh	.46.2
Delicious	.59.0
Newtown	.68.1

For loose fruit delivered to V.F.U. 42 pounds to the box; and including the 5 cents stock rebate.

Rome Beauty	.17.9
Salome	.08.0
Wagner	.19.8

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The estimate for this years crop is

Crabs	3500
Wealthy	3300
Macintosh	11000
Jonathan	11000
Newtown	4300
Wagner	2500
Delicious	2300
Rome Beauty	2300
Salome	3400
Hubbardson	300
Total	43900

The Romes are off owing to Tarnish Plant Bug. This is the first time that we have suffered from this trouble, but it has been a common thing in the Valley for some years. There is no spray control known for this. This is an off year for the Wagner. The Jonathan is also much lighter than last year and are likely to be larger sized apples. The Macs. in the 17 acres are off after their heavy crop last year. The Mac. block has a full crop. The Wealthy are very heavy this year. Nearly half of the Wealthy trees were cut down this Spring. The fruit ~~are~~ is cleaner than usual and is sizing well, maybe too well for the Export market.

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The Labor account is as follows for the four months ~~jun~~ March,April,May,and June with comparitive figures for 1931 -2.

	1933	1932	1931	1930	1929
March	$ 302.	$ 551.	$ 694.	577.	632.
April	456.	769.	707.	860.	~~1010~~ 702.
May	619.	849.	569.	1010.	717.
June	857.	1469.	1849.	2367.	1442.
	$ 2234.	$3638.	$3819.	$4814.	$3493.

ordinary labor wage 17~~½~~¢ 22~~½~~¢ 25.¢

We have watched the orchard work very closely this year,and looking back over the Spring work cannot see where we could have saved very much without hurting the permanent asset and produce a reasonably good crop.

Generally speaking the Orchards look in good condition. Some of the young trees which were set out in the Jonathan block have not done well . They did not make a good start on account of the dry years and have not recovered as well as they should have done. One other weak spot is what we call the Wagner block in the South orchard on the heavy clay soil. This section suffered badly in the dry period and looksas if ~~they~~ it would be necessary to pull out quite a few trees and re plant. The cover crop of Sweet Clover has done very well and when turned in will improve the soil condition considerably. It has also saved a lot of tractor work in cultivation.

Another year or two such as the last will break the Valley including ourselves. The Coldstream Ranch has done practically no pruning for the last three years, and this year they have done very little thining. The John Kidston orchards have been taken over by the Bank, and the packing and shipping Company has been closed up. There are quite a number of the small orchards throughout the Valley now being run by the Banks. The Shipping Houses who have been advancing money to their growers have been forced to take over a fairly large acreage of orchard. Everyone seems to realize the seriousness of the situation but as yet there has been no real solution of the marketing problem arrived at. Under present World conditions we cannot expect to be making profits but there is no reason why we should not have got at least expenses last year if the Shippers had played the game. Therewill be a patched up sort of deal among the Shippers to handle this seasons crop and if the buying power of the Prarie improves we may get a reasonable price. The Export deal will be governed largely by the Exchange question. Last year if the Pound had been at par our books would have balanced. There is of course the danger of the U.S. letting their Dollar get so low that the Old Country would be flooded with American apples. The Fact of the Okanagan Shippers being now actually growers as well as shippers will help to hold them in line.

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We think that we have cut out all labor that is not absolutely necessary for the production of a reasonably good crop and maintaining the permanent asset in such shape that the trees will be in condition to produce crops when market conditions are better. The general level of wages in the District ~~are~~ is higher than we are paying and for us to go lower would make it difficult to get efficient work out of a gang. Most of our men are now being paid 17½ ¢ per hour. The minimum for women, set by our Minimum Wage Board, for packing house work is 27¢ per hour. This figure will fix our own packing house at the same as last year unless we ~~can~~ take a chance of getting by without being reported.

We have not made final arrangement s with the Bank for financeing this packing season. The loaaa manager has been away from home for two weeks and left word that our account would stand over until his return. We now have with the Bank our personal guarantee for our proportion of $22000. These the Bank want renewed anyway and if we want to increase our line of credit we must increase them to cover the amount. I am enclosing the guarantee forms filled in for a total amount of $28,000. The old ones will be returned to you. I estimate that this amount will get us by this year. While I have not reduced my wages in the books I am only drawing a portion of them. I have arranged with the box factory to carry over a thousand dollars, but we will have to put up the 2500. within a few days. Our box carry over was fairly heavy but before long we will have to order more shook.

At one time I had thought of taking a trip East to talk over things with Mr MaAllister but when I saw the returns I figured that the Bank Account would not stand the expense. Unless things change this Fall it will be necessary regardless of expense to talk over the future policy. In the meantime please let me hear from you with advice and suggestions. The Guarantee I would like to have by return if possible.

Yours truly,

To
J.E.McAllister Esq.
Toronto Ont.
Capt.R.S.Dormer
Newbury, Eng.