

I have to say to you in reply to reason 1st, as contained in your letter, that it appears from market reports from Great Britain, under date of the 9th inst., the finest Australian butter is quoted at from 96 to 100 shillings per hundredweight, and that there is an improved trade in Danish butter at from 100 to 108 shillings per hundredweight. These latter prices I take to be equivalent to a range from 21½ to 23½ cents per pound in England at the current rate of exchange.

I am informed that the actual and necessary business expenses for shipment of butter to Great Britain (including reasonable charges for commission) need not exceed 2 cents per pound from the Creameries in Canada.

Competent judges in Canada, among them the largest exporters of butter in Montreal, have expressed the opinion that Canadian creamery butter, when fresh made, is equal in quality to Australian or Danish. This opinion has been corroborated by butter merchants from Great Britain who have visited this country, and examined Canadian butter when fresh made.

If the statement in your letter be correct, that fresh made creamery butter shipped from Canada is not likely to net more than 16 cents per pound in England, it appears to me both important and desirable that some action should be taken to obtain for it a recognition of quality and price from which it is now excluded.

The advance of twenty cents per pound cannot be said to have injured the interests of butter merchants who have any stock of butter to dispose of; on the contrary, it has made a better condition of market for them.

I cannot see any reason for the alarm expressed in your letter, as the action of the Government, at most, could only affect the prospective trade of a few members of your