29th November 1919.

W. A. Found, Esq.,

Ottawa.

Dear Mr Found:-

I duly received your favour of the 12th inst., but deferred replying pending the Canners Association meeting to consider Mr Desbarats' last letter re the Grading Act.

I do not see by what authority you could compel railroad, warehouse, or wharf companies to instal facilities for Grading officials in which to carry on their investigations. If your Department possessed this power the Customs could likewise employ it for their Appraisers; thus obviating the necessity of maintaining large office buildings for appraisal purposes. Doubtless as a matter of courtesy transportation companies would give both your and the Customs officials what accomodation they could, but in any event the canning plants from every standpoint would be more suitable.

You will note by the Association's letter of the 19th inst., to Mr Desbarats, that the majority still fight shy of the proposed Act. The reasons they advance however are not quite in accordance with facts. In their letter they state " no mention has ever been made by American Salmon packers regarding any necessity for grading" and all throughout their epistle they emphasize "inspection" as covering the American idea, and imply this is a distinctly different function from "grading."

Now what American salmon canners have been asked to do, and what they have agreed to do, is to accept the Inspection plan

of the National Canners Association; to contribute the necessary funds for carrying on the work; and to bind themselves by the provisions of this Inspection plan. In the text of this plan the word "certified" is used where you use "branded" and the word "inspection" is substituted for your "grading", but both your Act and their Plan embrace the same objects to be attained. The clauses covering salmon canning are probably not yet worked out as this branch of the work is only now being undertaken, but if you write the National Canners Association, Chicago, Ill., doubtless they will send you full particulars of the plan - including the salmon canning clauses if these are available. American canners of salmon are not waiting to see "the results of the inspection of salmon canneries during packing operations" before adopting the Plan.

Again in the Canners Association letter they say g goods for export are "carefully examined for grade, quality, and condition, for and by the purchasers." This is correct as far as U. K. purchases are concerned, but not necessarily so for other markets. For example if my company sold canned salmon direct to any continental European buyer, to any British colony, or to Asia or South America, the buyers would look to us to see the goods shipped complied with the requirements of their orders. Any examination, grading or inspection done we would do ourselves. Government grading would relieve us of this responsibility; would assure buyers they were obtaining recognized standard qualities; and would strengthen our efforts to secure a larger share of the export business. Doubtless U. K. Buyers will for a time insist on private examinations but when they find government grading gives equal

satisfaction they will not waste good money on a second, and needless, inspection of their own. I think the passing of this Grading Act is still more essential since American salmon canners have adopted the N. C. A. plan. The latter will give them an advantage over Canadian packers that are without any "grading" or"certifying" regulations at all; while, on the other hand, the advantage would lie with us if we could offer buyers goods "Government inspected" - and therefore independently inspected - as against an American "Association inspected" no matter how good the latter might be.

Yours truly

HD/P.