May 17th 1904

A. Emilius Jarvis, Esq.
Toronto, Ont.

Dear Mr Jarvis;

Knowing that ill health had prevented your giving any attention to matters of business I have up to the present refrained from bothering you although I must confess to having been sorely tempted to do so on more than one occasion.

Affairs however have now reached such a stage that I would feel I was not acting justly to you, nor those whom I was instrumental in getting into the B.C. Packers Association, if I did not express myself to you who assisted in the company's formation. I am further prompted to this step by the receipt by the B.C.P.A. to-day of a telegram signed by you which leads me to suppose you are again interesting yourself in business affairs.

From this telegram I gather that Mr Rollins as a result of his visit to this coast, and the information he obtained while here, has come to the conclusion that the value of the various holdings acquired by the Association at the time of its formation is not in accordance with the figures given in Messrs Munn and Larsen's report, and that in order to now obtain a valuation of the company's holdings it has been proposed to have Mr W. H. Barker of Astoria come here and pass upon the Association's affairs.

As far as Mr Barker is concerned I would mention that he is an intimate, personal friend of mine, of undoubted integrity and for whom I have the highest respect, but at the same time I consider him most

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unfit for the work you propose. He is a member of the firm of George & Barker of Astoria and Puget Sound and is largely interested in canning in both localities. He is an officer of the Columbia River Packers Association — the fourth largest canning company on this coast, we being the third — and Mr George is the manager of that company. One of the directors and the selling agent of this concern is Mr J. B. McGovern. You can learn from Mr Cronyn of the dealings he has had with this gentleman and how much of our affairs he should be appraised of. In addition to being a director in the Col. River Packers Ass^n, Mr McGovern is one of the receivers of the Pacific Packing & Navigation Co. As they sell Fraser river fish in Canada, and Puget Sound fish in England, in competition with us, it would be the height of folly to play into their hands by giving one of his associates such an insight into our affairs.

On Puget Sound Messrs George & Barker operate a cannery situated at Point Roberts. Their object in building there was so as to purchase fish from Fraser river boats outfitted by us, in our debt, and under contract to deliver fish only to the cannery at which contract was made. George & Barker's action in purchasing fish from such boats has had a very demoralizing effect upon the industry, which if continued in will entail considerable expense on our part to check. And still it is proposed to put the very man best situated to take advantage of our weaknesses, in a position to learn how to still further improve his opportunities.

If there is any valid reason why work, such as is proposed for Mr Barker, should be done, only sheer ignorance of the situation and blind disregard for the company's welfare would

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leave the settlement of such a question to one who a a competitor is most anxious to acquire the very knowledge you would thrust upon him.

I say 'any valid reason' because I feel sure the whole question emanated from Mr Rollins, and of all persons such a proposition comes with the least grace from him. It was his office that procured Mr Larsen as a valuator, (and I am free to confess they could not have chosen a fitter man) and in addition to him Mr Esmond accompanied Larsen and Munn on all their valuating trips, checked all their figures and arrived at the same conclusions. You might say Mr Rollins had two valuators while Mr Munn was the sole representative of all the other shareholders. The report made by Munn & Larsen was concurred in by yourself and Mr Esmond. It checked out my option figures as being just to both those putting capital into the new company, and those who were accepting common stock in part payment for their plants, and personally I think Mr Rollins is going too far in constituting himself a judge, competent to criticize the correctness of figures arrived at by those who had more opportunity to acquire knowledge of the situation, and who exhibited more inclination to look for knowledge from those practical men who were best fitted to give it.

I say this with no disposition to adversely criticize Mr Rollins, as in my short interview with him I found him a very agreeable, courteous gentleman, but at the same time while here Mr Rollins did not consult any of those having a technical knowledge of the business. His time and attention were given to gathering data which

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he was not competent to pass on without knowing some little of the practical side of the business, and those to whom he looked for advice in this direction were either incompetent to give it, or else were animated by self interested motives. In selecting District Managers for the company at the time it was formed, care was taken to pick those men who were thoroughly familiar with the technical or mechanical, and operating part of the industry, and who had proved by the profits they had made on their own accounts that they possessed such knowledge. Such men we found in Messrs Ewen, Alexander, Rowan, Bain and Wadhams. Mr Rollins while here did not get the opinions of such men as these and those from whom he did obtain information cannot be considered in the same class with them.

I know Mr Rollin only desires to do what is best in the company's interest but I maintain he is going the wrong way about it, and if his ideas, or rather those ideas self interested parties here have imbued him with, are persisted in, nothing but ruin can possibly happen.

That differences — and material differences exist between the valuations of to-day and of May 1902, is an admitted fact. But at the same time it was a difference which not only was foreseen but was fully explained in the underwriting prospectus. It was fully set forth that the object of the company's formation was the cutting down of expense by dismantling some plant and enlarging other. Any child knows that any business of whatever nature possesses a certain value as long as the property remains intact, even though not in operation, and that the moment you remove some essential

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part the value of the remainder is lessened. For example while any one of the canneries we acquired was complete in every detail, the land and buildings possessed a certain selling value. When we removed the machinery, boats, nets, etc., from this plant, we depreciated the value of the land and buildings, even though they still remain entact, because their value lay in their adaptiveness for cannery purposes only, and for that industry they no longer are available. Of course it may be argued that re-installing machinery re-establishes the value and therefor it should not be depreciated at all, but from the stand point of economical administration we have no intention of again utilizing the property for canning purposes and therefor make no attempt to keep it up in repairs and if we sell it to others we stipulate it must not be used for fish canning purposes, and so no matter from what point of view you are looking a depreciation is seen.

Last fall we instructed the district managers to make up inventories showing what in their opinion the value of our holdings were, in their respective districts. This they did, taking into full consideration the depreciation that had occured as above, and it was, I believe, a comparison of their valuations as compared with Munn & Larsen's that has occasioned the present ~~misunderstanding~~. As I mentioned above it is admitted such differences undoubtedly exist but as against them we have a saving in cost of operating expenses which must be credited to something. In 1902 we had 22 canneries in operation. In 1903 we had the same packing capacity in 16 under operation. The saving in operating expenses was from $15000 to $25000, and in noting

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depreciation on dismantled plants this saving should be given recognition. These figures refer to the Fraser only. The northern points did proportionately as well. I have no doubt those who are primarily responsible for all the present trouble in the company's affairs will dispute the correctness of my view but until they exhibit a more intimate understanding of the subject they profess to criticize I do not consider their opinion is worthy of being credited. I do not make this statement in any spirit of egotism but I can get any man of practical, technical experience to concur in my opinion, while they cannot name one who will endorse their views.

Please understand that anything I may say is not influenced by any ulterior motives. When misunderstandings arose concerning the company's affairs under my management, I was content to step aside quietly and let the future justify my actions and intentions. At the same time it was on the strength of my representations that ~~the~~ you took an interest in the formation of the company. It was with my figures for a basis that Mr Rollins and others subscribed for preference stock, and it was on my representations of the benefits to be derived from amalgamation that lead the canners here to join in the scheme. I have therefor every reason to wish to see the company succeed, but the present policy in force, the plans laid for the future, and the incessant outside interference to which we are subjected, are very disheartening and have caused me to regret ever having brought into such a company those who had confidence in me and my

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plans, and whom I am happy to know still believe with me.

I consider all our troubles are due to too much theoretical, and too little practical management. When the company was formed we thought we were acting in the best interests of all concerned in selecting the board of directors we did select. We made a grievous mistake however in not having a majority on the board consisting of men possessing a technical knowledge of the business. As it is Mr Ewen was the only one who could justly be credited with such knowledge and I am sorry to say proper consideration has never been given to his opinions, nor is the present policy of management in any way approved of by him. Of the other directors I only wish to say that for some of them I have only the highest respect, for they did not pretend to a knowledge they did not possess. For the balance I can only judge them by their actions, and the motives behind their actions I cannot help surmising are animated more by personal feelings and desires, than by a true wish to promote the company's welfare.

The policy now contemplated by this latter element is the abolition of district management, the indiscriminate cutting down of salaries, and other reforms largely suggested I believe by Mr R.P. Rithet. This gentlemen's representative, Mr Ker, is now Secretary of the company, and while personally a pleasant affable gentleman I consider his incompetency to dictate or point out a profitable policy, is fully demonstrated by the fact that under his six years or so as manager of the Victoria Canning Co he was unable to make money for his company while during the same

period others were doing handsomely. You will remember that when here in May 1902 you asked Mr Ker if he could give you an affidavit that his company had made an average profit of even 2% for five years previous to the formation of the B.C. Packers Ass^n and that he admitted he could not. And still you had the offer from several others of sworn affidavits that during the same period their profits had averaged over 10% per annum on the prices they sold out to us at.

Of the seven plants acquired from the Victoria Can & Co we have closed down and dismantled six, while part of the seventh collapsed, necessitating quite an expenditure for repairs. In comparison to the other plants we acquired, the canneries purchased from this company were in a deplorably neglected state, and their condition with its results, both in the continued efficiency of the plants and the lack of profits, is ample evidence to my mind of the folly of pursuing any plan of management which would be dictated by Mr Ker's experience as manager of his own company's properties.

As to how much Mr Rithet may be influenced in his professions by a desire for the promotion of the company's welfare, I would only call to your mind the fact that in 1902 when we were telegraphing that the run of fish was poor, Montreal was received telegrams from Victoria to a directly contrary effect, and when you came to trace these telegrams to their source, you formed an opinion adverse to Mr Rithet professions. You also found by some singular coincidence that his common stock was being offered for sale about the same time these Montreal

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telegrams were most in evidence.

The abolishing of district managers will only result in an increase of expense and friction to the company itself, and the engendering of ill feeling towards the company by the present district managers. These men are best able from the standpoints both of finance and knowledge, to become aggressive competitors, especially against a company burdened with incompetent management, and no one under the circumstances could justly blame them if they became competitors. They joined the Association in good faith. With one exception they are amongst the heaviest shareholders. In Mr Ewen's case he took all stock. In Mr Alexanders case 75% stock was given; while the balance are all 66⅔% stock against Rithets 50%. They demonstrated a faith he was lacking in, and to be cast aside and have themselves and their opinions ignored I consider neither just, nor in accordance with the understanding under which we acquired their properties. Where we show such a disregard for them we have no right to expect any better treatment at their hands.

Cutting down of salaries is all right in theory, but in practise some consideration must be given to future effect. One cut in the district managers salaries has already been made and Mr Rollins — I believe at the instigation and advice of others — is anxious that still further reductions be made. There is not one of the present district managers who cannot easily make more than his present salary packing on his

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own account, and such propositions as Mr Rollins makes is not only out of the question to enforce and still retain the services of these men, but it shows these managers their efforts on the Association's behalf are judged by incompetent men, and their efficiency cannot help but be impaired by the knowledge that their accomplishments are not credited at their tone value. Interest in your work, as well as knowledge of it, has a value worth paying for and this should not be lost sight of.

Through cutting salaries the Association has already lost the services of quite a few good men who were quickly picked up by competing companies who knew their value and were willing to pay for it. Still others have complained on this score and it is no idle prophecy to predict that if the present ideas are carried into effect, the B C Packers Ass^n will next season face the competition of from 3 to 5 of its present shareholders in new and fully equipped plants on the Fraser. This is something not contemplated by us when forming the company.

Another error of the present system of management needing correction is that of giving the management of canneries to persons not shareholders of the company while shareholders are available. Of the plants to be operated the coming season 25%, or over, are under the management of former salaried employees of Rithet's old company and the Brunswick Canning Co. none of whom have a share of stock in the Association, while for every position so occupied, two shareholders equally competent are available.

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When the company was started we were more or less at sea as to what was required and when proper organization was effected we found two at the head of affairs could do the work that was divided amongst three. But when to make the resultant saving the proposition was advanced by Mr Rollins and your office that Mr Evans should resign you took a step which time will demonstrate was directly opposed to the company's best interests. Mr Evans from the standpoint of knowledge of the business and brains ~~was~~ is worth the other two put together and we will learn this to our cost yet. I am aware that in this view also I differ from your and Mr Rollins advisors, but I know who those gentlemen are and what selfish interests instigated their expressions of opinion, and further more I know that from the standpoint of practical knowledge it is a waste of time listening to their view.

If the shareholders want to hold any investigations by all means let them ~~do so~~ and get them over before any more talk is occasioned. The troubles of the company are too well known to-day and if some more sense is not displayed in shareholders criticism of our affairs our credit will be seriously impaired and they will be the only ones to blame. It is true we have had two remarkably poor seasons, which no one could have foreseen, but even on their basis, now that preliminary and organization expenses are a thing of the past, we should easily make an

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annual profit much in excess of the amount required for preference share dividends. This will be amply demonstrated when the balance sheet for last season finally comes down. Therefor every investigation and every criticism originating from non practical shareholders is simply going to jeopardize the Associations future without the slightest compensating advantages being obtained.

But if however nothing but an investigation will satisfy Mr Rollins and others then for Heavens sake take some one not interested personally in learning our private affairs. Take some man like Larsen who is to-day out of the business and who is still practical. Let him investigate all the values, etc., you or he wants to, but let him also investigate the management past, present, and future. Let him hear all sides, practical as well as theoretical, and let him form his own opinion on the evidence he gathers uninfluenced by any self interested advisors who have their own private axes to grind.

You have spent quite a time out here investigating this business. I know the interest you took in affairs and the knowledge you acquired not only of the conditions governing the industry but of the men and the characters of the men embraced in the Association. Your intimacy with these men undoubtedly gave you an insight into them and their affairs that would enable you to judge what advantages each one might take of the position he was placed in and

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how far the different tales told might be credited to fact and how much to personal likes, dislikes, or self interest. I know very well that your illness has brought on us a large part of our troubles, inasmuch as had you been at the helm mole hills that were permitted to grow into mountains, would have been swept away in the making, and insinuations or tales carried to you would have been referred to those most interested before being credited, or allowed to pass for truth However that was a misfortune which I know you felt even more than we and I sincerely trust it is now a thing of the past.

What I have said in this letter I say openly for you to use as you see fit. You may communicate its contents, if you so desire to Mr Rollins or anyone else, and if it will help or hasten any greater display of common sense in relation to the Associations welfare I will consider myself amply repaid. I regret the necessity of having to write you at all, but I speak not only for myself but for every person I know of here connected with the company, who has any pretence to practical knowledge of salmon canning, and whose opinion wanted — If he had endeavoured to ascertain it — have enlightened Mr Rollins to an extent which undoubtedly would have given an entirely different complexion to the opinion he formed as the result of his trip.

Very sincerely yours

Henry Doyle