12th March 1902.

Messrs AEMilius Jarvis & Co;

Toronto.

Gentlemen:-

Your favors of the 3rd and 5th inst: to hand the former arrived during my absence in Victoria. Regarding directors in the new Company your ideas are the same as mine as to you and I being included .While on this subject I would mention that in applying for incorporation it may be necessary to specify the total number of directors the company is to have. This I think should be nine as there are at least five of the present owners whose interest entitles them to a directorship and in some of the cases that is a stipulation they make. These men are all reliable and will be of advantage to the company so that we will nothe giving positions on the directorate to mere figure-heads.

Sweany leaves tomorrow for Montreal. He has not time to visit Toronto but I think it would be well for you to see him if possible as he can give you valuable information as to my progress and other such points.

Sweeny Murray and I met today and went into the question of Todds figures. At the time I first wired you on the subject Munn had not been accepted as a valuator,but now that he has the question can be more satisfactorily passed upon. Munn has personal knowledge of Todds plants and their aproximate value which neither Sweeny or Murray possess and in addition he can form a better idea of the value of the 'Horse-shoe'

12th March 1902.

A.J.& Co: #2.

Brand than any one of us. We therefore decided it was best to refer all the figures to you and let the committee assisted by Munn take the responsibility of accepting or declining Todds proposition. In order to assist you in this we decided to obtain the opinion of Mr H.N.Rich-a man who from ability and judgement both Sweeny and Murray confirm as being the first class valuator. Mr Rich is disinterested,but was accepted by all the canners last year as well as the year previous,as one of a committee of three to judge the comparative value of all the Fraser River canneries in order to apportion the boats and pack amongst them. Of course as you are aware we are taking this boat rating as the basis on which to base our price so that Mr Riche's opinion should have considerable weight.

Todds price for his three plants,goodwill,and brands,is $145,000 divided as follows.

Inverness cannery	Skeena River		$ 40,000
Beaver	"	Fraser "	36,000
Richmond	#	" "	29,000
Goodwill,Brand etc:			40,000
		Total	$ 145,000

The Inverness Cannery is one of the best located plants on the Skeena and his asking price is $10,000 less than the average.At the price I think it extremely reasonably.

On 12th March 1902.

A.J.& Co: #3.

On the Fraser we are taking as a basis the boats alloted to each cannery and multiplied them by $500.00 This gives us a very close price and one that except in special instances is fair to all parties. On this basis Todds Beaver Cannery which was alloted 72 boats is worth $36,000 and the Richmond with 58 boats is worth $29000. In equipment these plants are above the average,but as the buildings and some of the machinery is old I think we can get him to agree to cut $5000 off his asking price,thus making $100,000 cover all the plants.This includes boats and nets as well as actual plants and land. He also has a cannery site at Sooke Harbour which will be valuable to us when traps are permitted and this I expect can also be secured without extra cost.

The goodwill and brand however is the sticking point. The 'Horse-shoe' brand is the best seller in Canada and commands about 40¢ per case more than any other. Todd says he can sell 20000 c/s of it annually,and at that rate it is worth $8000 a year to him. Whether it would have equal value to the new company is a question,but of course in purchasing his plants we have to consider it from his standpoint as the seller. Munn can judge best whether it is worth paying him that price to get him in as he realizes that outside of what value we obtain there is also the question of the influence of Todd's example.Financially he is the strongest of them all,his position in the selling market is likewise strong,and if with those advantages he is willing to come in it is

12th March 1902.

A.J.& Co #4.

bound to influence others to our advantage. On the other hand if he is left out the effect would be detrimental to our interests as it would delay matters considerablyand in some cases would prevent our obtaining other good plants. Th

The boat rating Committee in apportioning the boats made no allowance for goodwill,etc so that is not covered by the $500 per boat. In most cases there will be no question of good will as none exists. Five or six of the companies are all that can claim it. While nominally Todd would be receiving $40,000 to cover this,if we consider the Skeena proposition at $10,000 less than we estimated,it brings the other down to $30,000.

If the committee decide this question favorably I think we can arrange for $140,000 to,cover everything. This would be $5000 less than his asking price. If the decision is a negative one I think we will have to to consider Todd out -for the present at any rate.

Yours Truly,

Dict: H.D.