

Launer, B. C.

17th April 1928.

Armelius Jarvis, Esq.,

Toronto.

Dear Jarvis:-

I am in receipt of your letter of the 10th inst., and regret you regard as an ethical violation my having written the Directors of the Company. It does not appear such to me, or the friends whom I consulted before writing, nor have any of the replies so far received indicated such feeling on the part of the Directors themselves. I trust therefore your fear will prove groundless as to its ill effects on my chances for the management.

I also regret your resentment over the 4th paragraph of page 2 of my letter to the Directors and feel that in re-considering this you will admit your resentment is not justified. This paragraph was also contained in my first letter to you and you did not dispute its correctness in our subsequent conversation. In my remarks I have tried to be strictly accurate, as well as constructive, and in reading over again the paragraph referred to cannot see wherein it is inaccurate. Dissecting this paragraph there is nothing inaccurate about the percentages shown for past and present packs. You yourself informed me of the disorganization; that statistical records were lacking, inventory values lacked proper checking, and you cited a number of instances to prove these statements. As to the shareholders being disgruntled you told me it was on this account the Annual meeting would be held in Toronto this year. As to staff demoralization and dissatisfied managers you again confirmed what I already knew from other sources, when you told me of having to get rid of certain incompetent employees and that until the managers met at the dinner you gave them there had never existed any team work and that they were all working at cross purposes. As to extravagant operations and excessive losses this is surely demonstrated by a comparison of your Company's and Gosses' balance sheets. Packing 264,858 cases Gosse made a loss of \$205,640., which, I presume, included provision for Depreciation. This is roughly a loss of 80¢ per case. Your balance sheet shows a pack of 407,774 cases and \$643,816. deficit, represented by Maintenance, Taxes and the combined operating losses for 1927 of the B.C.F.&P.Co and Wallace Fisheries. This is without any provision for depreciation from the year's revenue. The loss per case is approximately \$1.50 or nearly double what Gosse lost, and surely must be considered excessive. Altogether I feel that on re-consideration you must admit there is nothing imaginative or inaccurate in any of the statements I have made either to you or your fellow directors.

As to the domination of the Gosses in the active management you appear to think this is purely a deduction of mine in which I have been unduly imaginative. The Vancouver Financial News expressed this viewpoint very strongly in its issue of 30th March, copy of which I sent you, while the Pacific Fisherman for April spoke even more

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forcibly. Both papers but expressed the general viewpoint of all those engaged in the industry, and I cannot be considered exceptionable in thinking what others also are thinking, and what is stated in financial and trade publications.

With kindest regards, and hoping your efforts on my behalf will yet be successful, I am

Yours sincerely

HD/P.