

Board of Trade Continues Discussion Of Fish Regulations.

The adjourned meeting of the Board of Trade, for the purpose of discussing the Fish Export Regulations, was held yesterday afternoon. Mr. H. E. Cowan, 1st Vice-President of the Board, in the chair, and a large number of members present. Mr. O. R. Duder was the first speaker, and stated he had not intended to speak on the question, as he was convinced the regulations were to be carried out without consideration of objections raised. But a statement in a paper intended to misinterpret the discussion of the question and ending with a contemptible reference to Hon. W. B. Grieve, obliged him to do so. If by giving expression to his ideas he received the punishment threatened, he was prepared for it, and felt he would be unworthy of the stock from which he springs if he did not voice his opinion on a matter that was of such importance. He then read the following extract from the "Maritime Merchant" of Halifax, dated Dec. 25:

"From the importers' standpoint, 'good' except in the catchment markets, Porto Rico and Barbados 'are overstocked with supplies, but Cuba is a ready purchaser with prospects that she will continue such for some months to come. North Brazil, too, has begun to buy quite freely after showing extreme bashfulness for some time, and it is expected that she will be a good customer until after the end of the 'Lenten season'; she is not, however, willing to pay the high prices of last year."

"One of the most interesting bits of news in the dried fish trade at present is what comes to us from Newfoundland. The Government 'down there' are attempting to regulate the export price of fish, that is, to set a minimum below which nothing can be sold. Permits to make shipments have to be secured from the Government who also stipulate the terms which may be given to foreign purchasers. The effect of this 'effort will not be felt directly in our market, the West Indies, but it should have a tendency to strengthen prices in a general way, and so it is that we find local exporters much more satisfied with the business outlook than they were a year ago. They think they are now 'in the clear' and that it will be possible for them to clean up everything they have without much effort; they feel that they should have the minimum of worry from the time forward. Some inquiries locally are reported from Italy, but stocks held here 'which would suit for that market' are unfortunately light; what there is that would suit is needed, so it is said, for 'order trade with Brazil.'"

As one not directly affected by the regulations, but as an independent Newfoundland, he thought the only thing needed was an expression from our Nova Scotia friends of their gratitude to our Government for having removed from their minds all worry about their catch. As far as the restrictions applied to Europe, he only looked on them from the viewpoint of an outsider, being best acquainted with the Brazil trade. Mr. Dunder might be able to deal with the question in glowing phrases. Himself was not bred as a lawyer, but one trained to do his work and say nothing about it. The restrictions as such had been dealt with lightly at the previous meeting, most of the time being taken up in presenting Mr. Hawes as a God-sent saviour to the commercial people of Newfoundland, whose like he had never seen before nor were likely to see again. The fact was that Hawes had sold about 150,000 qts. of fish to the Consorzio at their own terms after holding up the market for three months. This was no great achievement with all the force of the Government behind him. While in Brazil he himself had sold 50,000 drums of fish in a day, and another 10,000 drums the day following, but was not looked upon as a saviour, nor did he receive 3 per cent. commission. Mr. Monroe, he knew, had sold as much fish in a year as Mr. Hawes, and he didn't see why the latter should get such great praise. It might be some credit to Mr. Hawes to say he could take 3 per cent. commission as easily off our merchants. Mr. Barr had stated he knew of a group of buyers in Brazil trying to buy at 85 per cent. before the regulations were introduced. He was evidently mixed up as through the law of supply and demand last year the price had been reduced there by 25 and 26 shillings per drum. If that had happened in ordinary trade, what hope is there for us when the restrictions had stopped consumption and a big quantity of fish was yet to go forward? There is no hope of disposing of our article at the same price as last year. Mr. Dunder emphasized the correctness of his statements and his right to speak with authority on the Brazilian market, having for six years been in daily touch with the buyers there, and thirteen years associated with them in business. His knowledge was gained from personal observation in the market. One of the chief points that had been made was that the restrictions compelled payment now before the fish was shipped. That would be all right if it could be done and great if it had been accomplished without the complication of the regulations. The Brazil buyers, however, are only doing it because they are forced, and are waiting the chance to see where they will soon come when they can say and the fish on our terms or keep it themselves. The thing most complained of as to Brazil is the payment for cargoes with a delay of six or seven months. This is untrue except under contingency disabilities, and he wished to point out the absurdity of statements made as to shipments. He had handled cargoes and been paid the day of their arrival. It is only right to suppose

that a shipper knows what he is about when he ships and does not expect his money for six months. Both Messrs. Brooks and Dunder had referred to unjust claims, but if such had been made that is no reason for restricting the whole trade. In six years he had met with one claim, which was settled for a small sum, and he had it on the testimony of one of the best masters that ever sailed out of here, that the claim should have been for 100 instead of 75, because of the quality of the cargo. In another case where he had been asked by his principals to interest himself in a cargo, the buyers agreed, and on the examination his report was turned down and said to be biased. The captain had told the shippers the cargo was good, though he had not seen it from the time of arrival till leaving again. This was not a single instance of the kind, and shows that claims are not always unjust. The regulations, he feared, would decrease consumption which would be a disaster to the business. The average consumption in Brazil was about 350,000 drums, but since the war this had dropped till in 1919 it had reached the low water level of 250,000 drums. If under the treatment before the consumption was reduced so low, how is it to improve under the regulations with their hardships? The buyers in Brazil certainly will not deal with us so freely as before. As against 350,000 drums last year, his firm had sold one cargo of about 7,000 drums in this year. He had pointed out to the Minister of Marine and Fisheries that Brazil buyers would not submit to the regulations longer than they could help, and that if Lenten supplies were delayed by them, the trade would be disorganized and shipments would be greatly reduced in January. To-day we are 72,000 drums or about 80,000 qts. short, and must get busy if we hope to carry any equal cargo in last year's shipments. As to the restrictions holding both in Europe and Brazil, there is not the competition in the former market that there is in the latter. It is generally believed that our fish is indispensable to Brazil, but the thing governing prices there is beef, to illustrate which he read the following telegram received "December 17.—Unreasonable Government's terms will result in killing fish business in Brazil in future by causing tremendous diminution in consumption and also because of 'plethora of stock' (jerked beef) in all Brazil markets owing to recent Government prohibition of the exportation of frozen beef."

This is a declaration from a firm whose main business is in fish, and must be taken seriously, continued Mr. Dunder, and the regulations are an absolute restraint on trade between Brazil and Newfoundland. Europe there is no jerked beef, but in Brazil it is on the market in competition with our cod, which must reduce the consumption of the latter. Here is another telegram received from Brazil:

"February 2.—In Brazil, Argentina, Uruguay, there is a great abundance of cattle for internal consumption. Excessive prices of fish have much reduced consumption. This country possesses great natural resources and Congress has lately authorized 'an amount to help fishing industry in all Brazil which the next few years will export instead of import fish. St. John's has woken up too late for their unrealizable dreams.'"

Mr. Dunder pointed out that he knew the brains of the business of the trade in Brazil as keen as any man who had worked for Newfoundland, both in and out of it, and had all at stake here, and in concluding his remarks said he based his objections to the regulations as follows:

- (1) They have not been asked for by the Trade.
- (2) They are not needed, because with freest and most open treatment consumption is declining.
- (3) Because evidently mixed friends into antagonists.
- (4) Because they open the way to our competitors.
- (5) Because as foreflood shipments have been reduced 35,000 drums to end of December, and 40,000 drums more to end of January, and every effort must be made to market the immense stores now held in out-ports.

Mr. Earl spoke as follows:—"I attended the meeting Tuesday afternoon, and as far as I could judge, outside of Mr. Grieve's remarks, the Hawes and informing us of matters concerning his business. Of course, being rather deaf, a few remarks may have been passed unnoticed by me that had bearing on the fish export regulations. I have every regard for Mr. Hawes as a business man, and I think a clever one he has proved to be, and he probably may know a lot about the fish business, but who Geo. Hawes Ltd. has never concerned me, and I always conceded the fact that he was a private party to make what private party they liked with members of the trade, but when this combined body influences or persuades the Government to enforce measures which they see are to their advantage, and which the majority of the trade may consider to their disadvantage, it is absolutely necessary to see where we stand. I understand what brought about these drastic measures was the fact that 250,000 quintals of codfish was

on the other side or on the way, and those interested in the Hawes deal realized they, as a body, could not sell. This 250,000 included fish owned by others not in the combine who were persuaded by Mr. Hawes to tie it up in his hands, they being also persuaded he would be able to maintain and realize the high prices he was then asking. This fish being under control of the combine their inability to sell was the only cause of the congestion. Those outside of the combine were enabled to sell in Italy on the terms all the trade wanted, viz., 100 per cent. cash against documents, and not held until arrival of the vessel, and at the price that netted the shipper practically as much as that demanded later under the regulations, but which we cannot now in spite of all our regulations realize. My own opinion is that Mr. Dunder and Mr. Dunder's instructions were in correct. I can excuse that, as he being a lawyer is probably more fluent in words than accurate in facts and figures. I am quite willing to show anyone proof of their correctness. Further, I might add, had we held and placed same in Mr. Hawes' hands we would have augmented the congestion, and had our cargoes remitted for at a much lower rate of exchange and at a price the Consorzio eventually bought at. This would have given us a loss of \$5,000 plus a big bill for demurrage, interest, etc. We see where we greatly benefited by the restriction not being enforced, and as the position now stands the same benefit would have been derived by many outside the combine had they never been enforced. We have heard plenty of theory regarding this policy now in force, but what has been the result of practice, and to my mind it is very clear.

It is an established fact the Consorzio would have bought at profitable prices from the individual, and thus the bulk of this fish would have been distributed and paid for long ago, and had the shippers later been forced to accept lower prices, they would have been worse than under present conditions? When the Consorzio were acquainted as to who were in the combine and who outside, and they had expressed themselves willing to buy only from the individual, it is not a fact that Mr. Coaker was advised that it was necessary for the Government to enforce regulations, but that by the Consorzio would be forced to buy through Mr. Hawes, and unless this was done, fish buying would cease as far as certain men were concerned on the tenth day of November, and of course to do this it was necessary to prohibit fish being sold in Italy through any other channel. This leads up to a position where a minority of shippers decided that unless certain measures were enforced favorable to them, they would have to cease buying, and they have sufficient power to get their demands granted. We see on the other hand a majority of shippers opposed to their views, and more so now they see in practice the failure of these ideas. Those who state that unless there is an alteration we cannot continue buying. We see nothing but loss sustained by the authorized reduction of prices in all markets granted the Hawes' agency just as he desires, while we outside holding for the fixed price realize Hawes has authority to reduce and sell and we and we are notified after. This is repeatedly the case, and not only refers to Italy. I had information he was underselling in Spain a long time ago, yesterday we were notified of a 5% reduction. Again, positive information is to hand they are offering shillings below the restricted price in Portugal. We will hear of this reduction later on. Meanwhile those outside must withhold selling at reduced prices, and consequently find they cannot sell at all in any market except through Mr. Hawes. What prospect is there of my obtaining a fixed price when buyers in every market realize they can beat the combine every time by holding tight, buying from our competitors at cheap rates and then getting the reduction they want. This alone will force all independent buyers out of business, and be the means of establishing a monopoly in the hands of a combine which can kill all competition, thus having the producer at their mercy. If Mr. Coaker were here I think he could throw a great

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A splendid cashmere finish fleeced stocking, during sale

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Would be good value at 50c. pair.

FUR and FUR LINED COAT BARGAINS—This is a very unusual opportunity to secure a fur or fur lined coat at far below regular prices. Values from \$40.00 to \$90.00. Sale Prices \$27.00 to \$49.00

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It gives us great pleasure to have been able to secure in addition to our own remnants a lot of manufacturers' ends, etc., consisting of Serges, Gabardines, Cashmeres, Venetians, Voiles, Lustres, Poplins, and Winter Coating materials. All reduced and offered at from

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This is one of the exceptional seasonal opportunities that we cannot always hope to be fortunate enough to be able to offer. These Jerseys or Sweaters are worth twice the money we ask. Prices as follows:

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deal of light on this matter, and give us an insight into the way the situation was represented to him, thus persuading him to act without consulting the exporters as a body. After the restrictions or measures relating to the sale of all codfish were published and the Act stated being enforced, many saw objectionable features in it, and those not having signed the Hawes agreement but had fish on their hands became uneasy. The time went on, and no sales were being made. I think an idea prevailed that once prices and terms were fixed, the Consorzio would be forced to buy, as they must have fish, and Newfoundland fish at that, and would simply crawl down from their position and beg it off us. Well, we found the reverse. They simply held tight, and the congestion of unsold cargoes was becoming serious to say the least. Mr. Hawes now arrives on the scene, and having undertaken this huge contract, I can imagine the worry and mental strain it must have been to him, and I picture him in a bath of nervous perspiration as he approached the Consorzio.

The result is apparent and was seen immediately that well remembered cable, "I can sell, etc., etc." was received. There was nothing else for the Department to do than to meet all demands and authorize the sale, not on the terms demanded, but at greatly reduced prices, which taking into consideration discount, commis-

sion, interest, demurrage, and the very low rate of exchange, saying nothing about any part of the 20 per cent. that will vanish in claims, will let the shippers in for heavy losses. Just to mention Greece: Our price is 95c. They talk 80c. Needless to say we cannot sell them, as they are filling their requirements with France at 75c. These restrictions have now been in force for nearly two months, and we have seen the result. The proof of the pudding is in the eating, and instead of being a benefit to the country they have proved harmful. Our sales are restricted, and the only market—Italy—we are supplying at a loss to ourselves, whereby had every shipper sold as heretofore, the fish sale is now taking that has been held up so long would have been supplied long ago at profitable prices, and the way opened for further stocks, and even at reduced prices no worse than the present price shippers will realize. Bulk Labrador now nets one 75c. in Italy. Can one imagine it being worse under the old conditions of marketing? There is only one advantage I see derived from our regulations, and that is to France, Norway and Iceland, whom I consider very remiss in their not having cabled us a resolution thanking us for the great benefit we have conferred on them.

The hardest feature is that those who could have realized cargoes at profitable prices and held out for restriction, find they have to sell in

Italy at a loss or break the price elsewhere. To illustrate: We have a cargo at Gibraltar. Mr. Hawes requires it for Italy, and will handle on the regular terms, which nets us a loss. On the other hand, supposing I get an offer in Greece at 84c. net cash in London against documents, which is 11c. below the fixed price, yet nets me a good profit. I cannot take it, yet may find after the department has authorized a reduction equivalent to this, and someone in the ring makes the sale. This is only one of many instances in which it is clearly shown the regulations are a restraint of trade to the detriment of the individual and the country in general.

As I said before, I am not interested in Mr. Hawes' business affairs, and few of us are interested or care what deals he makes with the trade and who is connected with him. So much reference to this matter is mere camouflage ably used on Tuesday in covering the main issue. The effect caused by these restrictions as now enforced alone interests me, and in judging the same I must say I am abashedly out of sympathy with them, and in support of the resolution read by Mr. Grieve.

Mr. W. S. Monroe followed and spoke as a representative of a Brazil firm who objected to the regulations and also as one of the local Advisory Board. He had protested against the restrictions, which he believed harmful as he was still convinced they are.

He knew there were unscrupulous buyers in Brazil, but that did not justify the regulations. He acted however on the Advisory Board thinking it might be possible to modify the restrictions and had done so, the Government agreeing to payment of 80 per cent. and 10 per cent. after discharge of cargoes in Brazil. He felt that Mr. Coaker, who is going to Brazil soon, would be able to meet the buyers there, be able to make further improvements. He agreed with the regulations as applied to Europe and the agreement referred to previously by Mr. Brooke's had shown the trade had agreed a year ago to even more drastic restrictions. If regulations were necessary then they are now. As to Mr. Earle's suggestion that there would be better prices without restrictions, he thought there would be underselling in the eagerness to dispose of cargoes. Supply and demand, as stated by Hon. W. B. Grieve, governed the business, but if the supplier and purchaser know nothing of the conditions there can be no satisfaction. With Mr. Hawes, the trade here had one who knew all about the demand on the other side and could therefore operate to the best interest of the Colony. While not perfect, and needing a lot of improvements, the regulations, he was convinced, were in the best interests of the country and all would work in conjunction with (Continued on 9th page.)