

The Spanish Agreement.

THE OTHER SIDE OF THE STORY.

Editor Evening Telegram.

Dear Sir:—We shall be glad if you will allow us to call attention to some errors in the report which you have published of the meeting of Fish Exporters held at the Board of Trade on Saturday last. Whilst the report gives full copies of the messages accusing Messrs. Hawes & Co. of having broken the Spanish price agreement, only a brief summary is given of the lengthy reply made by Mr. Hawes and that summary is not an accurate one.

The following is a synopsis of the reply given by Mr. Hawes:

There have during the past few years been a number of agreements made between the distributors in Spain of Newfoundland fish. None of these agreements has lasted for any length of time. In previous cases, as in the present one, each of the parties of the agreement has accused one or more of the others of breaking same.

One must in the first instance assume the equal credibility of each of the parties and, in order to form a reasonable judgment in face of the contradictory statements, it is necessary to examine the surrounding circumstances, and look for some external assistance as to which version of the case bears evidence of truthfulness. The circumstances in connection with the present agreement are as follows:

It was arranged that the four firms operating in Spain would meet in Madrid on the 29th of October. On the eve of this date Mr. Lazo announced that he was unable and therefore unable to travel to Madrid to attend the meeting. As a matter of fact, however, on the date in question he was able to travel to another part of Spain on other business. During the interval between the arrangement to hold the meeting and the date on which it was actually held, 5th November, Messrs. Lazo, through their agents and travellers, urged buyers throughout the Spanish market to purchase from Messrs. Hawes as much fish as possible at the disastrous price then ruling, warning the buyers of the meeting which was to be held to raise prices. It is suggested that these tactics indicate a selfish policy rather than any co-operative spirit for the benefit of all parties.

At the Madrid meeting at which the price agreement was come to, Messrs. Campos and Hawes suggested to Messrs. Lazo that a quantity of Labrador fish which had just arrived at Alicante for the last named firm should be transferred to them (Hawes and Campos) to be sold by them in accordance with the agreement. This suggestion was made as the Alicante territory is one where Messrs. Lazo do not usually operate. The proposal was not agreed to but Messrs. Lazo offered to sell the fish to Messrs. Campos and Hawes jointly to insure fulfilment of the agreement. Messrs. Hawes and Campos agreed and purchased the fish on the condition that Lazo would not discharge any more fish at Alicante during the existence of the agreement. Nevertheless the S. S. "Kriton" which sailed from Newfoundland on the 23rd of November took a still larger quantity of fish for Messrs. Lazo to Alicante. This was a breach of the agreement come to between the three firms, unless it is contended that when the "Kriton" sailed from Newfoundland the Madrid agreement was already at an end. In effect, it undoubtedly was, as the following shows:

On the 11 November, Mr. Hawes received from his firm the following message which was shown, at the time, to his supporters here:—

"Lazo on the day following meeting Madrid sold 5 Pesetas under agreed price antedating invoice. False giving extra discounts and other facilities. Both apparently working together trying capture our customers."

In consultation with his shippers, Mr. Hawes replied as follows: "Do utmost sustain price agreement, even tolerating slight infractions; object sustain agreement longest possible. When break comes and prices collapse sell only minimum

quantity necessary hold together connections."

Further reports of evasions were received from time to time but Messrs. Hawes claim that they kept the agreement until such time as they found that they were losing a serious proportion of their sales, and, which is more important, that Iceland fish was being freely sold to the detriment of Newfoundland sales at lower figures than the price agreed upon at Madrid. Mr. Hawes explained that his knowledge of the facts was dependent on cable messages which were necessarily brief, but that it appeared to him from the telegram sent here by Messrs. Campos that his firm had reduced the price in a perfectly open way, even by advertisement, but that he did not regard this as a breach of agreement, seeing that the agreement had notoriously been already evaded and was therefore at an end. Mr. Hawes admitted that it was arguable that his firm might have given written notice, but there was the precedent that all previous price agreements had come to an end without either of the parties notifying the others; at any rate he did not consider this a vital point, being rather a matter of form than spirit.

Mr. Hawes then said that for years his firm had been accused by certain parties in Spain of breaking prices and pointed out that, even crediting him, in the past, with sufficient callousness and disregard of the interests of the firms he represents in Europe, there were certain reasons, which he submitted, for examining such charges very carefully. In the first place it has been the practice for a number of years for Messrs. Hawes to advance in the aggregate very considerable sums against fish shipped to them. As an instance, he mentioned that, at one time, three of the local banks held acceptances of his firm to the amount of £470,000. He suggested that a firm making such advances had at least as much interest as anyone else in sustaining values, during the slump of 1920, when the value of the stocks held by his firm declined to some £50,000 less than the amount they had advanced against them, they were accused of breaking prices.

Mr. Hawes then put forward even a stronger reason for rejecting the allegations of price cutting made regarding his firm at the present time, namely that having purchased 28,000 quintals of Labrador on the Coast, at the highest price of the season, they stood to lose more by the reduction of values on the foreign markets than any other firm in Newfoundland or elsewhere.

Mr. Hawes further pointed out that, although under his agreements with exporters he was at liberty, if he chose, to operate in the produce of fisheries of other countries, his firm had always utilised the whole of their organisation exclusively for the handling of Newfoundland produce.

Mr. Hawes then stated that at the beginning of this season when his firm opened the price of Labrador at 45/- Messrs. Campos received, through Messrs. Harrington and White, a consignment of Iceland Labrador and informed Messrs. Hawes, quite frankly, that they intended to sell same at 5 Pesetas (say 2s. 4d.) less than whatever price the Newfoundland article was sold for. Mr. Hawes remarked that he did not censure Messrs. Campos, who were doubtless acting wisely in the interests of their principals, but he submitted that, under the circumstances they could hardly claim to pose as champions of the interests of the Newfoundland exporters.

Further, Mr. Hawes stated that when Messrs. Campos started cabling their friends on this side regarding the Spanish market, they held no stocks of Newfoundland Labrador for account of exporters, but had purchased from Messrs. Lazo the large shipment referred to above per S.S. Kriton, and he submitted that they were merely interested in avoiding a personal pecuniary loss, regardless of whether it was advisable in the interests of Newfoundland to reduce prices to meet Iceland competition. Mr. Hawes mentioned the notorious case of price cutting by Messrs. Lazo on an occasion when Messrs. W. S. Monroe, W. A. Munn and Charles

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whole of the catch to be disposed of by outright sales.

The document issued by the British Vice-Consul at Alicante had no bearing on the matter before the meeting. The destroyed fish referred to was the remainder of the glut from the previous season and Mr. Hawes informs us that the larger part of this quantity was fish which his firm received in Spain at the time of the slump after it had been about five to six months and for which no receivers could be found on the other European markets. He also stated that it is not correct that this fish had paid cold storage charges.

The statements made by Mr. Munn regarding the methods employed by Messrs. Hawes on the markets are grossly incorrect. Those methods are known to us in detail and approved of a number of us having investigated them on the spot.

Mr. Hawes did not state that he was a personal friend of Mr. Lazo but that his personal relations with him had always been of an entirely friendly character and that the relations between his firm and Messrs. Campos, with whom there was constant contact, had hitherto been friendly. These statements were merely made to emphasise the contention that the seat of the trouble is in St. John's and not on the markets.

Yours truly,
BOWRING BROS. LTD.
ERIC A. BOWRING, Director.
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R. G. RENDELL.

Councillor Dowden GETS PRESENTATION.

The weekly meeting, last night, of the Orphanaid Club was a very successful one from two standpoints. In the first place a statement was presented of the results of the Christmas Week Raffle, financial returns from which exceeded the most sanguine expectations of the members of the Club. The members feel that this achievement is due, in the first place, to the wonderful enthusiasm with which the affair was patronized once the public realised that every cent of profit was to be devoted to the benefit of the orphan.

In support of his view that the seat of the trouble is here in St. John's he mentioned that last Summer his managers in Alicante, at his instigation, proposed to Messrs. Campos that an agreement should be drawn up between them by which, whilst each firm retained its own supporters in Newfoundland, their joint sales should be pooled so as to remove any incentive for either party to increase sales by price cutting. As a result, lengthy negotiations ensued and matters went so far that an agreement was actually drafted, and is now in St. John's. The negotiations were, however, broken off at the last minute by Messrs. Campos who said that they had received a cable from St. John's stating that a strong anti-Hawes group was prepared to support Campos in fighting Hawes.

Mr. Hawes also stated that, by his instructions, one of his managers in Alicante visited Seville with a view to a similar agreement with Messrs. Lazo, but nothing came of the proposal because Messrs. Lazo made, and insisted upon a counter proposal that Messrs. Hawes should buy their cold stores in Seville for 1,000,000 pesetas (£235,000) offering, in return, to go out of the Newfoundland business, as exporters, and to purchase their requirements from Messrs. Hawes.

Mr. Hawes claimed that, in view of the foregoing, his firm's version of the Madrid agreement was entitled to be accepted as an honest one; he added that he had received a cable from his office in London offering to furnish proofs of the inaccuracy of the statement made in the cables received from Messrs. Campos and Lazo.

All Irish Want to be Policemen.

Forty members of the Black and Tans, the former Royal Irish Constabulary auxiliary, have arrived at Sydney with their families to settle on farms. They were given pensions when discharged from British service and assisted in settling overseas. The Sydney police inspector announced that a few of the newly-arrived Black and Tans had applied for positions on the city police force but that there were no positions open. The inspector said that Irish Republicans arriving here had also asked to be taken on the force, but that while no discrimination was made between the two classes, only local men were being put on the police body.

NOTICE.—The C. C. C. Band will meet at the Star Society Hall at 9.15 sharp on Sunday next, January 7th, for the purpose of taking part in the Annual Parade. Full uniform. Jan 4/1

TO-DAY'S MESSAGES.

BURIAL SERVICE BY WIRELESS.

NEW YORK, Jan. 4. The steamship President Adams brings a touching story of the burial at sea of Capt. A. Matthews of the steamship Hatteras, which sailed on December twenty-fourth from Norfolk for Belfast. Tempests kept Capt. Matthews on the bridge of his small steamer four days and nights, when he was stricken with pneumonia. The Hatteras got in touch with the Finland and President Adams and ship doctors prescribed treatment by radio, but without avail, and the captain died. Not having prayer book nor bible, and none knowing the ritual for burial of the dead at sea, the President Adams, two hundred and forty miles away, wirelessly the burial service, which was repeated over the body of the dead captain by the chief officer, while the tiny steamer was tossed about in the tempest.

IN FOR A GAY TIME. MONTREAL, Jan. 4. Lord Byng, Governor-General of Canada, will formally open the Montreal winter sports, which will last nine weeks, beginning Friday evening next. Opening is to be in a blaze of fireworks and the ceremony, conducted by Lord and Lady Byng, will be held at Mount Royal near the headquarters of the Montreal Ski Club, and close by the Park Slide, which will open at the same time. The mountainside will be brilliant with myriads of electric lights for the occasion.

HOW WASHINGTON REGARDS IT. WASHINGTON, Jan. 4. The general atmosphere of doubt and apprehension surrounding the sessions of the Reparations Conference on Reparations at Paris is claiming increasing interest in official Washington. George Harvey, American Ambassador to England who was summoned home to contribute his personal knowledge of the situation, spent the entire day with the President, but the result of their conferences is kept secret. A storm in the senate is brewing, promising to centre around Senator Robinson, Democrat, Arkansas, who proposes authorizing American representation on the reparations commission.

NEW YORK UNDER SNOW. NEW YORK, Jan. 4. Every available mechanical device, and the efforts of more than a thousand men, working all night were necessary to dig the city out of snow that commenced at dusk last night, and continued until early morning.

STORM IN PROVINCES. HALIFAX, Jan. 4. A northeaster swept the Maritimes, starting at midnight, and is still raging, carrying heavy snow with hail alternately, and interfering with street and rail traffic and shipping.

DEADLOCKED. PARIS, Jan. 4. It was definitely stated at British headquarters today that Bonar Law is determined to make no radical change in reparations policy. A final effort made this morning to arrive at a reconciliation of French and British plans, was found to be so divergent in form as to make a compromise impossible. It is indicated there is only one chance in a hundred that some development may occur to prolong the conference, and bring about an understanding. British are presenting detailed criticism of the French plan at this afternoon's meeting.

Peasants Gather in Imperial Palace.

Russia's Parliament of Workmen and Peasants, in their picturesque garb, have assembled in the great throne room of the Czar's old palace, within the Kremlin, to discuss new laws designed to benefit the proletariat.

The legislation to be considered includes the labor code of land laws, civil laws, and laws providing for unified courts of justice, all of which require readjustment owing to the new economic policy.

The Parliament, known officially as the All-Russian Centre Committee, is the highest legislative body in Russia.

The throng-room, where more than 300 members from various parts of Russia have assembled, is virtually unchanged from the days of the reign of Emperor Nicholas, except that the throne has been concealed by a white sounding board intended to improve the acoustics. Upon the walls, which are of light blue and gold, and upon the ten immense gilded pillars, still remain the arms of the imperial family, and from ten enormous chandeliers, scores of the old imperial double eagles still look down on the lawmakers, four of whom are women.

The room of St. George, of gold and white, the largest room in the Kremlin, with six candelabra supporting more than 3,000 incandescent lights, is being used as a smoking room by the peasant lawmakers.

The Fatal Third Puff Had Origin in War.

"Never light three cigarettes with the same match," cries the third smoker, who immediately blows out the flame which you hold before his nose. For he does not care to die in the course of the year.

This superstition, now generally established in the public mind, is said to have had its origin thus: In the war which Spain carried on against Morocco in 1911-12, and which was principally an ambulance war, the Spanish officers, who are great smokers, puffed cigarettes in order to kill time in the trenches. Sometimes it happened that three of them lighted their cigarettes with the same match.

Now, in the course of time they noticed that at the first puff of smoke escaping from the cigarette, a Moroccan across the line opened his eyes, and the second cloud he noted the place and the third he fired. And often the smoker fell with a bullet in his forehead. The third smoker, made prudent, therefore took to blowing out the match. This quickly became a superstition, which continued after

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THREE FLOWERS.
A teacher in a village school asked the other day:
"How many kinds of flowers are there?"
Three pupils held up their hands. She chose one to reply.
"Well, Beatrice, how many kinds of flowers are there?"
"Wild, tame, and coltsie!"

THE WIDOW'S MITE.
The Scriptures speak of the Widow's mite:
But the Old Maid's mite is better. The Widow's mite may be all right. But the Old Maid might if we let her!

WE WISH YOU A
Happy & Prosperous New Year.
MAY 1923 BE YOUR "BUMPER" YEAR.

"Ring out the old, ring in the new,
Ring, happy bells, across the snow:
The year is going, let him go;
Ring out the false, ring in the true."

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IF ITS MECHANICAL, WE HAVE IT.