

From the holdings of
Western Archives, Western University

Belgium
~~25th Jan~~
12th Feb

My dear Father

Unfortunately your letter of 25th Jan reached me just after my return from paying a call on Wood in his best billet about 10 miles back, and as he moves another 25 miles back this week end I fear I will not see him for some little time. I am therefore sending this to him to forward to you after adding his views.

I am so sorry to hear from Alice's letter of Jan 23rd (for which please thank her very much) that you and she had both been laid up and hope that you have both by now, fully recovered from your attacks of "grip". It is a very unpleasant ailment that so far has not bothered me for which I am most thankful, although there has been quite a lot of sickness of this nature in one way and another.

I am naturally delighted to hear what you say about the financial situation of the firm and do hope that the whole bank liability may be wiped off. Is that expecting too much? Of course the reduction in price of 4.5 shells from \$6.00 to 4.00 is large and will make a difference of \$50,000 in what you receive for them, but on the other hand

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you have made a success of this size
and your initial expense is over
and your experience is bought and
paid for.

Wood and I have been waiting
rather anxiously for your answer to
a letter we wrote, generally, I think
before Xmas, asking for some
particulars about last year's statement
and also about the capital expenditure
on shell business and whether it
(the shell transaction) had been kept
entirely separate from our engine and
boiler business or not? So far
we have had no reply although I
presume it is coming. We wanted
this information to enable us to size
up the situation. We would like to
know what has been expended on shells
and what the profit on same would
be and if a burden etc was being
added to your estimated costs. I should
think that after the last of 4.5 shells
are shipped (about now) this could be easily
arrived at and a statement made up for
the 20,000 4.5 shells. However there
is no use troubling you too much as
the reduction in Bush % is the best
and surest "barometer" we have and I
only hope it will continue.

Now about Mr Morgan I can only
reiterate what I said in a letter I

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I'll see you this week. We are very much
in his hands as he has gained all this
valuable experience for us and at our
expense but at the same time I am very
confident about his being loyal and
not taking advantage of Woods and
my absence. I must certainly feel that
he should share in the results of his
hard work and I think a bonus is
better than a percentage of net profits
after all ^{capital} expenses ~~to~~ for shell work only
had been met. The only advantage
about the latter would be that he might be
more careful and economical about tools
equipment, methods etc.

We will have to leave it in
your hands and of course Morgan
can demand pretty much what he
wants and we would have to meet him
to keep him but I think your suggestion
of a bonus about equal to ~~double~~ his
salary would be very handsome and
I don't think anyone would offer him
more or even as much as that. If
I remember rightly he gets about \$4000 now
which would amount to \$8000 with bonus.

I would like you to think over
the following plan for paying it:—
A bonus of \$1000 (corresponding with
60 pounder contract and neglecting 4.5 contract
just finished) for each 25,000 shell
contract (20,000 in case of 60 lb) to be paid

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to A.H.M. after last shell of contract is shipped and the cost of same accurately made up with capital expenses included and a liberal burden added provided ~~that~~ a handsome profit is made on same, you to be the judge as to whether profit warrants the full bonus or only a part of it.

The above would make the bonus contingent of each contract completed and would amount to 4 contracts or \$4000 per year at your present rate of 2000 per week or \$5,000 in three months. I think it most important to keep cost of each contract separate and to add a share of capital expense to each as well as burden, and further that the cost should be made up at once when the last shell of each contract is shipped.

I consider the above a better arrangement for us that an annual or monthly bonus as you would have something definite to work with each time and would know how you stand on each contract separately.

I rather infer from your letter that the Baker shop is in bad shape which I regret. I would hate to see that department go backward as I am satisfied that it has been the

backbone of our business since I have been
in the firm and it must be fostered
and expanded.

I do not think there is much future
for the machine shop and would
advocate expanding the boiler business
at the expense of it as our future
policy. There is no harm however
in advertising some article to
make in machine shop after the
war and Wood as well as the same
in England from time to time.

I am very strongly of the opinion
that this war is going to last a very
long time and that there will be a
great many million shells yet to make,
especially so if the U.S. gets involved
and has to meet the requirements of her
own army and navy. I feel that

I feel that if you can add to
the plant or buildings without too
great expense it would be wise to
try and increase or even double
your shell capacity. I feel

strongly on this point but have not
urged it until we saw what
success we were having.

XXXXXX

On second thought I have decided to try
and see Wood today again. It is a long
ride but well worth while.