

1st February, 1933.

The Investment Committee,
Royal Institution for the Advancement of Learning.

Re: Montreal Light, Heat and Power Consolidated.

In our memorandum of 30th ultimo, (which was also signed by Mr. Spinney, who is absent to-day through illness,) we suggested that one half of the proceeds of Canadian Pacific Railway Common stock be invested in 3% Convertible Debentures of Montreal Light, Heat and Power Consolidated due 1939, in the neighborhood of 42, but we have observed that the price of the common stock of Montreal Light, Heat and Power Consolidated showed an appreciable decline to-day and is now quoted at 28 5/8.

It has occurred to us that the Investment Committee might like to consider whether the disparity between the respective market levels of the debentures and the common stock is not abnormal, and whether there might not be an opportunity to recover some of the loss on the sale of the Canadian Pacific Railway stock by switching a portion of the reinvestment to the stock of Montreal Power with the intention of selling the Power stock in order to reinvest in the debentures as soon as the spread between the stock and the debentures falls to a more normal relationship, say 10 points.

B. Outerbridge

H.A. Craig

A.J.L. Haskell

E.D. Glassco