

Montreal

Fourteenth
December
1932

General Sir Arthur Currie, G.C.M.G., K.C.B.,
Principal, McGill University

Dear Sir,

In entering upon an examination of the investments held for account of McGill University, we are impressed by the fact that the statement presented to us shows an analysis of the investments as at 31st May 1932 to be as follows:-

	Book Value	Market Value	Dep'n	%Dep'n from Book Val.
<u>Canadian Bonds</u>				
Dom. Gov't, Provin- cial Gov't, Municipal, School & Parish Bonds	\$3,781,600	\$3,332,900	\$ 448,700	11.87
Railroad, Utility and other Corp'n Bonds	6,025,500	3,568,550	2,456,950	40.81
<u>U.S. & Foreign Bonds</u>				
Foreign Government, Railroad, Utility and Industrial Bonds	887,050	337,200	549,850	61.98
	\$10,694,150	\$7,238,650	\$3,455,500	32.31
All Preferred and Common Stocks	3,996,100	1,575,400	2,420,700	60.57
All Investments	\$14,690,250	\$8,814,050	\$5,876,200	40.00%

In a general way, since 31st May last the prices of bonds in the trustee class have shown appreciable improvement and the percentage depreciation now of the items in this category is probably less than 10%. The opposite tendency is evident in the remainder of the portfolio, and there is a possibility that this trend has not yet been halted.

Based upon this preliminary survey, we are inclined to believe that much of the loss indicated in the foregoing table may prove irrecoverable. An attempt to recoup by speculative measures the losses which