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LIMITED
INVESTMENT BANKERS

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May 11, 1932

The Rt. Hon. Senator Arthur Meighen, K.C., P.C.,
The Senate,
Ottawa, Ontario

Dear Mr. Meighen,-

Some few days ago Colonel C.C. Harbottle, C.M.G.,
D.S.O., officer commanding the 14th Infantry
Brigade, asked me what I thought could be obtained
for an issue of \$370,000 of 5% Twenty Year Instal-
ment Bonds, the proceeds of which are to be used
for the construction of the new 14th Infantry
Brigade Armouries, to be situated on the lake-
front on ground given to the Brigade Association
by the City of Toronto.

It seems that the Bonds are to be secured by the
Dominion Government paying forty semi-annual pay-
ments of \$14,739.41, which payments will be
assigned to a Trustee in favour of the Bondholders.

I suggested that a sum of \$325,890.78 would be a
fair price for the issue. The Bonds would not be
a legal investment for trust funds although to
all intents and purposes they are equivalent in
security to general obligations of the Dominion.

The only comparable type of issue that I know of
are the Bonds issued by the St. John Drydock and
Shipbuilding Company, Limited, principal and semi-
annual interest of which are secured in full by
semi-annual payments, to a Trustee, and the price
suggested to Colonel Harbottle compares favour-
ably with the market value of the St. John Dry-
dock and Shipbuilding Company 5½% Instalment
Bonds.

The payments have yet to be ratified and Colonel
Harbottle is somewhat afraid that the difference
between the par value of the issue and the sale

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