

The said Royal College of Surgeons, holding a lease from the Crown as stated, for 999 years, and adjoining the Union Club to the north, pays to the Crown for this lease a "peppercorn" rent, (i.e. a nominal rent payable to the Crown to indicate Leasehold Ownership in distinction to title in "fee simple" or "freehold"). The "peppercorn" rent is thought to be 1d. per year. The Royal College of Surgeons has been approached, through Sir Howard Frank, to ascertain what consideration, if any, would be entertained for an assignment of Lease, provided the Crown would consent. If this property can be secured on satisfactory terms it would add about 10,000 feet of floor space, entailing, however, important interior alterations.

### III. Financing of Purchase.

The purchase price of 225,000 pounds, plus cost of alterations, say estimated at 75,000 pounds, or a total of 300,000 pounds, will be required.

Under the Agreement 225,000 pounds will not be due and payable until vacant possession is given, which, at the latest date, is 25th March, 1924. The sum required for alterations should also be available from that date onward. The supplementary estimates for the fiscal year 1923-24, rendered by this Office, contain an item of 24,000 pounds incidental expenses, new premises, and this figure should be considered as in addition to the above sum of say 300,000 pounds required to finance the purchase of the Union Club premises. The High Commissioner, when considering the acquisition of Cox's Bank Building, received the following letter from Mr. Henry Joseph, of London, agreeing to purchase the 4% Dominion of Canada Stock 1940-60, of an amount up to 650,000 pounds. For purpose of reference the letter is now quoted:-

"Referring to the various interviews I have had with Colonel Reid Hyde, I now submit the following proposition:-

I hereby offer to purchase 650,000 pounds (six hundred and fifty thousand pounds nominal) Dominion of Canada 4% Stock, 1940-6 at the price of 91 flat, delivery on or before Wednesday the 16th instant.

Stock to be identical with existing listed stock, transferable by deed - free of stamp duty, and to carry full 6 months' interest 1st October next.

It is understood that there will be no public issue, and that the Government of Canada will facilitate the steps required to