

\$ 120,000. PRICE BROTHERS & COMPANY LIMITED 1st MTGE. 6% 1943.
 This company is in receivership. We understand that the company is still losing money on operations. Harris Forbes and Co. Ltd. have formed a protective committee, but the Canadian Insurance Companies are holding aloof as they consider Harris Forbes are demanding too broad powers and there is not adequate assurance that the bondholders' position will be their primary concern. Under the circumstances it would seem that the University could do no better than follow the actions of the Insurance Companies who will be acting in their own best interests.

\$ 50,000. PROVINCIAL PAPER LIMITED 1ST. MTGE. 5 $\frac{1}{2}$ % 1947.
 These bonds are selling at 60. Current earnings are ample to cover bond interest requirements and the current position is fairly comfortable. This may well be used as a medium in which to switch other securities held that may seem to be less favourably situated.

\$ 45,000. RESTIGOUCHE COMPANY LIMITED 1st MTGE. 5 $\frac{1}{2}$ % 1948.
 This situation is very similar to the Fraser Companies securities discussed more fully above. The Company is just about breaking even on operating and administrative expenses and has no working capital.

	Book Value	Yield	Market Value	Yield
\$ 50,000. ROLLAND PAPER COMPANY LIMITED First 5 $\frac{1}{2}$ s due 1st June 1948	96.89	5.8%	73 bid	8.7%

The company's principle bond and ledger paper products are sold under the trade names and watermarks of "Superfine Linen", "Record" and "Earnscliffe" Linen Bond, "Empire Linen Bond", "Colonial Bond", "Service Bond", "Mount Royal" and "Rockland" Bond.

The first 5 $\frac{1}{2}$ s due 1st June 1948 are payable at the option of the holder in Canada, New York or at \$4.86 $\frac{2}{3}$ in London; sinking fund from 1st June 1931 of 2% annually, plus interest on bonds redeemed.

Capitalization consists of \$2,450,000. in first 5 $\frac{1}{2}$ s; \$1,500,000. in 6% Preferred, as well as 60,000 shares of common without par value, carried in the books of the company at \$1,596,000. At the end of 1931, current assets, (including \$268,000. in cash and securities at market value), amounted to \$1,134,000., as compared with current liabilities of \$129,000., leaving net working capital of \$1,005,000. In the years 1929, 1930 and 1931, interest charges were earned, after providing for depreciation, 2.68 times, 2.2 times and 1.76 times respectively.

While it is not certain that revenues will not decline still further, the company has shown a satisfactory power of resistance to the forces of depression, and for the time being, it is believed that the bonds should be retained.

\$ 50,000. HOWARD SMITH 5 $\frac{1}{2}$ % FIRST MORTGAGE BONDS DUE 1953
 While the company is understood to be earning its bond interest, the situation is involved and we shall interview Mr. Crabtree and report fully on the company in the near future.

B. Outerbridge
 G. W. Spinney
 A.J.L. Haskell
 H.A. Craig
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