

<u>Shares</u>	<u>Security</u>	<u>Cost</u>	<u>Income</u>	<u>Yield</u>
600	Am. Chicle	\$22,800.	\$1,800.	7.90%
400	Drug Inc.	26,800.	1,600.	5.95
300	Hershey Choc.	25,200.	1,500.	5.95.
200	Int. Business Machines	25,800.	2,140.	8.30
500	Proctor Gamble	24,000.	1,200.	5.00
	INDUSTRIALS	\$124,600.	\$8,240.	6.60%

CANADIAN PREFERRED STOCKS

PUBLIC UTILITY

We would leave the University holdings in this group intact but would suggest the acquisition of 300 shares of Canada Northern Power 7% Preferred at 106 and 300 shares of Southern Canada Power 6% at 106. This would entail an expenditure of \$63,600 and would bring the amount invested in this type of security up to \$118,000. Income would total \$8,400 or a yield of about 7.10%.

INDUSTRIAL

With the exception of Dominion Textile 7 Preferred, we would suggest that all present holdings in this class be eliminated where possible. Our reasons for this suggestion are that all these securities possess one, several or all of the following unsatisfactory features:

1. Very narrow market.
2. Uncertain future.
3. Small amount held.
4. Yielding no income.

Under the plan for investment distribution there is \$126,000 available for purchasing securities of this class. The University's holdings of Dominion Textile already account for \$30,680 and so we have about \$95,300 with which to acquire additional Canadian Industrial Preferred stocks. We would suggest the following:

National Breweries \$1.75 Preferred.
 Canada Wire & Cable \$4.00 Class "A"
 Canadian Gen. Elec. \$3.50 Preferred.

For the year ended December 31st 1930 National Breweries earned about \$17 per share of \$1.75 Preferred stock outstanding and while no figures are included in reports on current operations, it was officially stated on August 26th that earnings this year are satisfactory.

The class "A" stock of Canada Wire & Cable is convertible at any time into Class "B" stock on the basis of two "B" for one "A". During the year ended January 31st, 1931 earnings were equal to almost \$16 per share as against \$15.25 in the previous year.

The standing of Canadian General Electric makes any comment superfluous. Suffice it to say that in 1930 the company earned \$22. a share on its preferred stock as against \$25.88 in 1929.

The table below shows the amounts to be purchased together with the cost, income and yield.

<u>Shares</u>	<u>Security</u>	<u>Cost</u>	<u>Income</u>	<u>Yield</u>
500	Canada Wire & Cable "A"	\$30,500.	\$2,000.	6.55%
500	Can. General Elec. Pfd.	30,000.	1,750.	5.80
1,000	Nat. Breweries Pfd.	32,000.	1,750.	5.45
	TOTAL	\$92,500.	\$5,500.	5.95%