

Oakwood

Nov 1st 1916

My dear Ibb and Wood

Re option

Both your letters of the 2nd Oct^r came to hand on this subject. My main object is to get rid of the personal liabilities by paying off the preferred stock. My plan is to turn it in as security and get a loan upon it paying 6% for the loan and receive 4% on the stock & thus saving \$800 per annum. We can hold it as long as we like and sell by piecemeal as we want the P. & funds from time to time to prosecute any line of business we like after shell making is over. This plan carries out our contract to the letter with C. W. B. estate to the letter and nothing can be said. It wipes off personal liabilities & gives us a free hand for the future. I would not ask them to take anything less than face value. If you let this option lapse and want at any time to sell out a part or the whole the heirs will no doubt ask you considerably above par

and it would be worth more with
all our debts paid off and all
our lands buildings and even
machines valued, as they are very
low. I think it too good a chance
to let slip by for our independence
sake alone. I have noted the
advantages pro and con and they
are well put Woodman but I think
you have overlooked the fact that
the preferred stock ~~is~~ ^{is} salable at
any time at pleasure and when
we require funds could be sold
like N T E or any stock on the
market. The option lapses in
29 April next ⁽¹⁹¹⁴⁾ and if we can agree
on a policy there is only a
comfortable time to get everything
arranged. I don't see how it
will reduce our working capital
under these flexible circumstances.
I would endeavor to reduce the
preferred dividend to 6% if at
all possible on a reissue.
I enclose a copy of the guarantee
in which you will see we are
to always maintain the 100,000
reserve. What if we fell ten
thousands below that point would
not the guarantee be holden
upon us ^{again}. I think it would

and the agreement be operative again at any time we were below the stated sum. This would not be very comfortable situation for any of us. You know we had a surplus of 15000 three years ago which was wiped out by losses in two years and followed by a deficit the third year.

~~Now~~ In answer to Bob I want to say in my opinion it would be very poor policy to draw out \$10,000 of what is to his credit and buy or build a house. The idea is a very worthy one but I think both your balances should remain intact for a year after the war to see how our business shapes itself. I have every faith in Canada but she is putting up a lot of money directly and indirectly for this war which must be paid for or satisfied or arranged for in the two years after the war is settled. Bob when you start house keeping just rent for a few years before you tie up in real estate.