option   Oct 2nd

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My dear Father

I have just written Mother a long letter with my doings and as late and as I have to go up again tomorrow with a working party I will not say much.

I have your letter of 8th and will look up the fellow you refer to if I get leave. It is very slow coming

I also have your diary letter of 11th for which many thanks. I am sorry that you are having so much trouble with the shells and not realizing the output we had all hoped for (viz 600 per day) but perhaps it may come yet.

With reference to taking up the option I will tell you very frankly that I am not very keen about it but will

not try to express any final
opinion until I see the following
(I.) Our statement for the past
year showing how much
of the required surplus of
$100,000 has accrued
(II) A conservative estimate (not
an optimistic one like Mr
Morgans figured out when you
made the last purchases)
of what you can turn out
for the next 6 months (to end
of march) and the least
possible profit per shell for
that output.

My view is this, if we could get
rid of the personal guarantie
(to C W L estate that we now
labour under) I would prefer to
leave the preferred stock as it is, as
we will require capital and
might have to pay some one else
7% for it. I think this might

be arranged with Gibbons and the
estate if they are not anxious to
sell as I rather infer from your
letter. At any rate it would be
worth a trial.

You might approach this matter
by asking Gibbons if they would
still take 70,000 for the Kolding
as he once verbally offered. I am
not clear as to whether we ever
had this in writing or not but
rather infer from your letter
that we did not. It is a little
hard for us to remember all the
details of the agreement over here
and if possible it might be
well to send us a copy when
you reply.

I feel we have nearly 6 months
to think it over and that we
should give it our most careful
consideration, and see how things
go during that six months
before finally deciding.

If, next April we have the
required $100,000 reserve and also
a Bank Balance of say the same
amount I would say take it up, if
not I would be very careful.

Personally I feel that I do not
want to put up what margin I
may have in the business against
a loan as I want to draw about
$10,000 when I return for a house and
a start at housekeeping D.V. and I
would not be able to if I had to
put up this margin. However
we have ever gotten very
much from the business in the
past except a living and a good one.
I will admit but only as a
a result of very hard work, and
I now feel if conditions are better
that we should personally profit by
it.

The more I think of it the more I
feel that if we could get rid of

our personal guarantee to the
preferred stock, it would be far
better for us to leave that
money in the business.

I am cabling you for the
information Wood and I want
before we express our opinion
and upon receipt of it we will
discuss the matter again very
carefully.

In the meantime it would do no
harm to see what you can borrow
the money for, and also sound
up Seattle.

Wood will send you some "pros"
& "cons" and figures we guessed at
and I think will write you about
as I have.

Very much love, and hopes
that things will go more smoothly
this fall.

your devoted son

JL