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26. ii. 36

My dear Peter -

Many thanks - What a work!

I hope my notes are clear - they are not all important.

p. 1 - capital - i.e. that on which we must pay Dividends - no relation to the actual capital in the business.

p. 2 - collapse of values is what really cost us money - we made a small trading profit otherwise.

p. 3 - "Travellers' sales" were up to £70,000 before the slump. Now just on £100,000

"an effective monopoly" - dear me!

p. 7 - If size of business had come down £50,000, overdraft came down only ½ that. Undistributed profits would never come to more than £1000 or £200[illegible] in one year

p. 8 - bills - the point is, these are presented by our Bankers to the authorities as old jobs in connection with particular transactions - in point of fact they are recurrent (by unstated consent) & are renewed just like the overdraft. There is no question of security at any point either for overdraft or for bills. We could formally put this in order by laboriously specifying transactions against each bill - unnecessary.

p. 4 - stocks. Selling price say 150
cost (incl. R.M. Ch.) 100
with wages & [illegible] say 80
formerly taken at 100 - which is perfectly fair - now, prudently, at 80 - for which they could never be made

Harvard Box 5 [illegible] ([illegible])