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10 February, 1906

My dear Mc Clure,

Your letter gave much food for thought. I have been with you from near the beginning, and should naturally wish to follow you still, but there are a few points on which one would desire more light.

First of all as to the 5000 dollars worth of common stock which you give me. I need not say that I accept it with all gratitude, at the same time it is dear even at that price if it lessens your supervision of the Magazine, but this I hope will not be so.

Now about the general scheme--the first thing which naturally strikes any one is how far the "Journal will compete with the Magazine. I fear that it must do so if only by infringing the monopoly of the word "Mc Clure's!" However, I realise that of course you have taken all possible steps to minimise this.

The second point is the gigantic stock capital. How can any magazine hope to pay interest upon so enormous a sum? The preferred stock may and no doubt will, in case of reasonable success, get its interest, but that the common stock, if it is all issued, should ever bear interest seems to me inconceivable. So much do I feel this that frankly if the shares which you give me are indeed marketable at par I should prefer the money to the scrip. I should like some more particulars about this capital. How much is issued? how much is kept for working expenses? how much goes to the promoters? Also some explanation as to how a return could ever be expected on so large a sum, which is just 25 times that of the "Magazine."

The advantage given to the present stockholders as against the public seems a very small one, being  $3/4$  as against  $3/5$ .

I am not clear if I am buying from the Company or from your own holding.

Meantime you might lay aside for me 10,000 dollars worth of Preferred Stock as suggested in your letter, and I will let you know my final decision whenever I have received and digested this additional information.

With all kind regards, my dear Mc Clure,

Yours very truly,

(signed) Arthur Conan Doyle.