

the suggestion of General MacBrien. He told me General MacBrien had advised him to have a talk with me; to keep in touch with us because we were in a position to cooperate with him and possibly to facilitate his work. This Colonel Vernon did, and our relations with him had been entirely cordial and friendly up to yesterday when he placed this material in the hands of the Provincial Attorney-General.

Two features of this situation are to me significant:

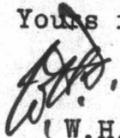
1- The Attorney-General's letter to Colonel Vernon requesting the correspondence produced yesterday was dated yesterday - ten or eleven days following the publication of the articles in question.

And yesterday the Public Accounts for the last fiscal year were tabled revealing a heavy increase in liquor sales and liquor profits. Undoubtedly this was a stunt on the part of the Provincial Government in an attempt to draw public attention away from the real issue of these increased sales and profits.

2- It is a curious fact that this action on the part of Colonel Vernon synchronized very closely with the announcement of the death of General MacBrien.

As I said, I felt you should have the basic facts of this situation, because the question may be raised in the House and you will be in possession of the correct background.

Yours faithfully,



W.H. Dennis