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320 Bay Street, Toronto,
July 31, 1941.

Col. the Hon. M. A. MacPherson, K. C.,
Westman Chambers,
Regina, Sask.

Dear Colonel MacPherson:

I have now read, and read very carefully, your magnum opus on "The St. Lawrence Seaway." You certainly have done an enormous amount of work on this subject and are to be congratulated on the thoroughness of the treatment in this memorandum. I have only one or two disjointed comments. You will locate, yourself, the points to which they refer--the memorandum which you sent me is not paged.

(1) In treating of the repudiation of Ontario power contracts you say the saving to Ontario was very substantial, in fact, forty-three millions of dollars. Personally I would admit no such saving or anything like it. There were a number of niggers in the woodpile concealed by the new contract verbiage. Dr. Gaby thinks the saving was trifling. Further, it was not a saving; it was a theft. The Courts, so far as they were appealed to, held that the contracts were honourably entered into and binding in every way. They were certainly most thoroughly and carefully negotiated over a period of years. Their cancellation is an inextinguishable stain on the honour of Ontario.

Further, all the hullabaloo about having too much power has proved a veritable boomerang. There was a moderate amount of unnecessary power during the totally unexpected depression, but it was indeed very moderate, and very soon after the estimates of the former Commission proved inadequate rather than excessive, and are now being exceeded in actual purchases by the present Board. Further, the Ontario Power Service development which the former Ontario Government itself (independently of the Hydro Commission) took over in bankruptcy and was proceeding to complete--which action on the part of Messrs. Henry and McCrea was vilified extravagantly and dishonestly by Hepburn, Slight, Roebuck, and by a Royal Commission composed of Latchford and Smith (even worse Grits than the Government which appointed them)--has proved the best bargain ever made by any Province of Canada, and I think, probably the best bargain ever made by any Government in the world, outside of Disraeli's purchase of the Suez shares. It has almost paid for itself already, and that at very low rates for power.

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