

February 3, 1972

CONFIDENTIAL

Mr. William B. Harris
Chairman
Board of Governors
University of Toronto

Dear Mr. Harris:

Referring to the meeting at the York Club on 2 February, 1972, my understanding of the consensus expressed by the Governors who were present, could be summarized as follows:-

- (1) Connaught should not continue to be operated by the U. of T., since under such auspices Connaught could not achieve the industrial and commercial development which its plant, assets, and expertise can assure.
- (2) CDC appears to be the only eligible entity able and willing to assume responsibility for Connaught with suitable compensation to the University.
- (3) CDC should be encouraged to make an offer in writing.
- (4) The offer should be discussed with the Hon. Wm. Davis. If Mr. Davis is unwilling to permit the sale of Connaught to CDC he should be urged to present an alternative proposal which would provide appropriate compensation to the University of Toronto.

If I have misunderstood the consensus of the meeting please let me know, otherwise I shall report the deliberations, in the foregoing terms, to my Chairman, Mr. J.E. Brent.

As an expression of my personal feelings I should add that I hope that Mr. Davis will make a proposal which will permit Connaught to remain an Ontario Institution with an affiliation with the U. of T. By this means a tradition of public service which has been a credit to the U. of T. and to Connaught would be perpetuated. One reason, for my hope, is that I have the impression that CDC will conceive its function to be the creation of strong industrial enterprises out of existing smaller, weaker operations, and then turn them over to private ownership with public participation. Fields suitable for such organization

Mr. William B. Harris

- 2 -

February 3, 1972

might include the aircraft industry, auto industry, petrochemical industry and pollution control enterprises. All this would be admirable, but I should be sorry to see the truly Canadian enterprise known internationally with considerable distinction as the Connaught Laboratories lose its identity in any mammoth complex however successful.

Yours very truly,

J. K. W. Ferguson, M.D.
Director

JKWF:ST