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MEMORANDUM FOR MR. HEENEY

Your memorandum of the 15th January addressed to Dr. Skelton, and the correspondence with Mr. Howe relating to the establishment of a new cable circuit between Sydney, N.S., and London, England, by the Canadian National Telegraphs, were handed to me by Dr. Skelton before he left for Washington.

It is possible that Dr. Skelton and Mr. Read may return before this matter is taken up in Council, and if this is the case I shall bring the correspondence to their attention.

In the meantime I can only express a personal view which is that it would be advisable to make full use of the new channel, assuming that the service which the Canadian National Telegraphs can offer in this way is equivalent in speed, security and otherwise to that offered by present lines. Assuming the equality in these respects, I can see no possible objection to the Government utilizing what is, in effect, its own facilities, rather than paying for the employment of an outside organization. For political reasons, of course, it may not be possible to do more than divide the work equally between the Canadian National and the Canadian Pacific, but anything <u>less</u> than this would seem to qualify as a waste of Government funds.

H. L. Ksenleyside

W.L.M. King Papers, Memoranda and Notes, 1940-1950, MG 26 J 4, Volume 334, pages C230345-C230860

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