

Q. So cables originating in their offices will go by this board which is being set up, but not from Canadian National?—A. Mr. Chairman, I might mention here that there are what they call routed and unrouted messages. Each company has a form. The Canadian Marconi Company has a form; Imperial Cable has a form; Commercial Cable has a form, and also Western Union, and Anglo-American. They all have their own forms. You go into a Canadian Pacific office and ask for a Canadian Marconi form and write out your message on that form, then your message will be routed over the Canadian Marconi wireless circuit. If you ask for an Imperial Cable form, your message will be routed through that company, and similarly with each of the other companies concerned. The Canadian Pacific Telegraphs is also the agent for the Commercial Cable Company and if your message is written out on a Commercial Cable form it will go by that company. However, if you just write your message on a form of one of the Canadian Telegraph Companies the same as is used for a domestic message, with nothing indicating the route by which you wish to have it sent, it is called an unrouted message and it may be transferred to any connecting overseas carrier at the discretion of the telegraph company with which it is filed. The Canadian Pacific Company, for example, will allocate such unrouted messages to the three companies for which they act in proportion to the volume of business received from each of these companies. For instance, if the C.P.T. receive messages from the Canadian Marconi Company, the Imperial Cable and the Commercial Cable in equal proportion and three unrouted messages are filed, they will send one of them by Commercial, one by Imperial and one by Canadian Marconi.

Q. What messages would this company handle?—A. This company would handle messages going by Canadian Marconi, Imperial Cable or Commercial Cable.

Q. In other words, when I go into a C.P.R. office and ask for a cable form it goes through a board company but if I go into a Canadian National Telegraph office and ask for a cable form it goes over Western Union. The C.P.R. are soliciting messages for this company but our own company, our own government-owned company, is not. Is that right?—A. Yes, except that messages filed with the Canadian Pacific may also be routed via the Commercial Cable which is also an American company.

Q. I don't see why that should be.—A. Well, Mr. Chairman, the reason for that is that Canadian National Telegraphs have a long-term agreement with Western Union as the agent of that particular company and the terms of that agreement do not permit them to be the agent for any other communications company at the present time, and that is the reason why they are not the agents for the commonwealth company. They were the agent for the Canadian Marconi Company, up until 1939 when they were unable to renew this agreement—I think it had run for 10 years or something of that order. They had permission from the Western Union prior to 1939 to act as agents for the Canadian Marconi Company but when the matter of renewing their agreement with the Marconi Company came up Western Union said they were not prepared to permit them to do so unless they paid them something like \$100,000 per annum for losses of revenue which that company would sustain as a result of their carrying on as agents for this company.

Mr. McIVOR: Does that not place the C.N. Telegraph Company at a disadvantage?

Commander EDWARDS: They made their agreement.

Mr. HATFIELD: But that does place them at a disadvantage.

Commander EDWARDS: I think we should say for the information of the committee that the C.P.R. have always been the agents for Imperial Cable and they have always had a contract with Imperial Cable to handle all that traffic and they have always been the company which leased the line which carries transit traffic between cable points at Halifax, N.S., and Bamfield, B.C. Canadian