

The matter was taken up with the British Post Office and on September 19th the Admiralty cabled advising that they had made arrangements with the British Marconi Company to maintain the Clifton Station in readiness for operation, the Admiralty to re-imburse the Company "out of pocket" expenses incurred.

The Admiralty recommended that similar action be taken by the Department of the Naval Service in connection with the Glace Bay and Louisburg Stations. After negotiations the Canadian Marconi Company has agreed to re-open the combined Glace Bay-Louisburg Stations, to place the same in readiness for operation and maintain the staff adequate for this purpose, the Department of the Naval Service to re-imburse the Company the salaries of the staff and other "out of pocket" expenses, including necessary maintenance charges, plus 10% to cover administration and overhead charges. The estimated cost of thus maintaining the station is approximately Thirty-Six Hundred Dollars (\$3600.) per month.

The Technical Officers of the Department of the Naval Service report that the above arrangement is a reasonable one and recommend that it be accepted.

The Minister concurring in the report of his Technical Officers recommends that an agreement be made with the Canadian Marconi Company on the terms outlined above.

The Committee concur in the foregoing and submit the same for approval.

W. O. Rawell

approved.

Devondie.

20. X. 17.