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Zealand and Australia nearer to the Mother Country, there can be no doubt at all, and we shall, as far as the Government are concerned, adopt the first three lines of Sir Wilfrid Laurier's resolution by way of establishing our agreement with the general proposition. But it is a matter that has to be gone into very carefully, and here I agree with Mr. Deakin, that it is a matter which ought to be gone into very carefully by experts. It is a question as to the best route. It is a question as to what it would cost. Even such a very desirable object as that which has been forshadowed by Sir Wilfrid Laurier, might cost a sum which would be absolutely prohibitive. I have been told, for instance, that a very fast service from Vancouver to New Zealand would cost such a large sum of money, that it would be quite beyond anything that you could possibly expect either the New Zealand Government, the Canadian Government, or the Imperial Government to face. That is a matter that should be examined, I think, by experts. What we suggest is that we should at once proceed to examine the proposal and any other proposals that may be put forward, because there is an alternative I understand, which will be suggested by Australia with regard to the Suez Canal route. I think they all ought to be considered, and considered practically by the same body.

Sir JOSEPH WARD: What is the alternative?

Mr. DEAKIN: It is not an alternative. We need both the eastern and western routes, so that there is no alternative from an Australian point of view.

Sir WILFRID LAURIER: I never understood it to be an alternative but a matter to be considered by itself.

Mr. LLOYD GEORGE: These are the very few alterations we propose to suggest in Sir Wilfrid Laurier's resolution. We propose to leave in all about the Canadian service and put that as the foremost object, as it is the first scheme placed before the Conference; and we propose also to recommend that we should inquire into other schemes which may be later tabled by other Governments.

Mr. DEAKIN: The proposal submitted by New Zealand is for a fortnightly service. We require a weekly service. One service could come this way one week and the second by the other route on the alternate week.

Mr. LLOYD GEORGE: We cannot examine it apart from the question of the carriage of goods, too. We must take that into account. It is not only a matter of a fast mail service, but also a question of the cheaper transport of goods and materials from the Colonies. I consider that to be a very important item, so far as we are concerned.

Then we cannot altogether overlook the fact that the Panama Canal will make a very material alteration in the whole problem of communication with Australia and New Zealand. The Canal will probably be open within the next 10 years. When you are framing a scheme of this kind you cannot overlook the effect which the Panama Canal must necessarily have on the whole problem. It will probably revolutionise the whole question of communication with the southern seas, as the Suez Canal revolutionised the whole problem of communication with the East. That has to be considered.

What we suggest is something to this effect. We adopt the first three lines of Sir Wilfrid Laurier's resolution, and put in the word "practicable" instead of "possible," but that alteration is merely verbal, suggested because

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Fifteenth Day. 14 May 1907.

MAIL SERVICE TO AUSTRALIA AND NEW ZEALAND via CANADA.

(Mr. Lloyd George.)