F.—8.

leaves £31,000 surplus earnings towards meeting interest, sinking fund, and other charges described in the report of Lord Selborne's Committee of the 5th January, 1897, as "practically a double replacement of capital."

The cable, with duplex and curb automatic working, attains a speed of 168 letters per minute, and I have heard of no good reason why this working-speed should not be maintained in transmitting a continuous stream of telegraph matter. On this basis, taking the words at eight letters, the transmitting power of the cable is 30,000 words per day of twenty-four hours. Excluding Sundays, this is equal to more than 9,000,000 words per annum. After making due allowance in ordinary traffic for all necessary service messages, the line is quite capable of carrying 25,000 paying words per day without to any appreciable extent adding to the present working-expenses.

The cable, working only half-time—that is to say, twelve hours in each twenty-four—would, at the low rate of 4d. per word, yield a revenue considerably more than sufficient to meet ordinary working-expenses—to be precise, 3½d. per word would be sufficient. It is true that an additional transmission charge of 6d. per word would be necessary to meet in full all charges made by the Treasury for interest, renewal fund, and sinking fund, to replace capital on the very liberal scale suggested by Lord Selborne's Committee; but it is a debatable question how much of this charge should be made payable at the expense of cheap telegraphy. If the projected circle of cables come to be regarded as vital to the life and progress of that great political organism, the Empire, it will have to be considered how far its functional utility should remain unimpaired. The rates I have mentioned, 4d., even 10d. per word, are extremely low compared with what has heretofore been charged (ranging as high as 9s. 4d. per word before the Pacific cable was advocated), and I mention these low charges merely to indicate what is possible and what may be anticipated eventually as a result of the establishment of the Empire cables. For if such cheap telegraphy be possible across the Pacific to New Zealand and Australia, it is equally possible to India and South Africa. It must, however, be borne in mind that to approach such modest transmission charges it is indispensable that the connecting cables should be State-owned and the service efficiently managed under State control.

In the foregoing estimates I am presupposing that the cable is only half employed and practically idle during half the day. This condition opens the way to further possibilities of the most important character. It has been suggested that for high Imperial reasons the co-operation of the Press should be sought. The Press has much in its power to promote unity and progress; its highest functions are to spread knowledge, enlighten the people, and mould their destiny. But the Press must have freedom, and it should enjoy every advantage in performing its beneficent work which science can devise. I have shown that the State-owned cable service, employed only half the day at a low tariff of charges, can be self-supporting. May we not fittingly inquire, is there no useful purpose to which we can apply during the whole or portion of the other half-day this wonderful means of communication established at the public cost for the public advantage, in the sense of the free transmission of news under proper restrictions? I ask, to what better purpose can the cable be applied during some of its idle hours than, in co-operation with a free Press, to promote general intercourse and benefit the British people?

Before the days of telegraphy those who had emigrated to the colonies anxiously awaited the arrival of ships with the mails, and on the ships' arrival they greedily devoured the newspapers. The mail is now inadequate as a means of conveying news between places widely separated by the seas. It is an incident of modern civilisation that the people will not read old newspapers, however excellent they may be—at least, not with the same avidity as cabled intelligence. The reader of to-day must have news that is not old. Few in Canada, and still fewer in New Zealand and Australia, read the London papers which for weeks have been buried in a mail-bag. This age demands up-to-date news, and the demand can, I believe, easily be met by affiliating the Press

under proper arrangements with the cable service.

This proposal will be found to harmonize with the suggestions formulated by Sir Frederick Pollock and his friends in the appeal they have recently made in favour of an Imperial Council combined with an Intelligence Department. I am satisfied that no more potent agency could be devised for accomplishing the great patriotic purpose these gentlemen have in view than an arrangement by which both cable and Press would act jointly in advancing the Imperial cause. These twin agencies can undoubtedly be most helpful in disseminating knowledge and in initiating profitable discussions. They can remove very much of the ignorance which now obtains and make the King's subjects around the globe better acquainted with each other. There is no other conceivable means by and through which the various groups of British people separated by the seas can be brought more speedily or more closely into terms of mutual relationship. For the present our greatest need is a better knowledge of each other, and if our object be to unify the Empire, all our people who live beyond the seas should, as much as possible, be brought practically into the neighbourhood of England and into the neighbourhood of each other. Before we can be expected to decide on any possible organic union to bind us together for all time, we should first know and understand each other, and the more thoroughly we can accomplish that purpose, the easier it will be to realise the high ideal of Imperial unity.

In forming an Intelligence Department, the plan to be followed will, of course, require to be carefully matured. The headquarters of the Department naturally would find its proper place in England. Besides the Imperial Board of Intelligence in London, possibly branch Boards would be desirable in Canada, New Zealand, Australia, India, Africa, the West Indies, and elsewhere. All the Boards should consist of representative and independent public men, whose duty it would be to obtain for dissemination over the Empire accurate information and unbiassed opinions on all subjects of general interest; the information so obtained would be cabled daily or weekly as may

be determined to the London Board and to all the branch Boards for publication.