

9th Day.]

CHEAPENING OF CABLE RATES.

[15 June, 1911.]

Mr. SAMUEL—*cont.*

suggestion has been cordially welcomed by my department, and we have been, during the last few months, in negotiation with the leading cable companies, and we have secured the consent of all the principal cable companies communicating with the United Kingdom to a reduction of 50 per cent. in the cable rates for cablegrams which are in plain language, and which at their option may be deferred in delivery for a period which, however, in no case must exceed 24 hours. An alteration of that character, while, perhaps, it does not absolutely need the consent of the other administrations which are parties to the International Telegraph Convention, is at all events, such as to make it desirable that we should have the consent of the other administrations, and there has been some delay in affecting this alteration through the necessity of securing the consent of other Powers. Within the last few days a Conference has been held between the postal administrations of England, France, and Germany in Paris on this subject, and although the negotiations are not yet completed, there is every reason to hope that the assent of those administrations will be given to this scheme, and that it will be followed by the assent of the other Powers which are chiefly interested. I have every expectation that by the 1st January next we shall be able to establish a new rate over all the important lines of communication, eastern, western, and southern from the United Kingdom, at 50 per cent. less than the present rate for all plain language cablegrams which are liable to deferment of not more than 24 hours.

Secondly, I have been taking action with a view to the reduction of the Press rates, which are at present frequently too high, and certainly, as Sir Joseph Ward has pointed out, check the adequate dissemination of news throughout the Empire. The Press cablegrams not, of course, being able to have the advantages of the code system are seriously disadvantaged as compared with ordinary commercial cablegrams.

A third measure which I am taking relates to Government control over rates generally. At present, of course, as the Conference is aware, there is no control at all over the rates charged by the various cable companies, and that fact lends colour to the conception which, Sir Joseph Ward has pointed out, is entertained in many quarters that there is a ring, and that cable rates are maintained at a figure unduly high in some cases. I certainly think cable communication is so vital to the well-being of the Empire that there ought to be some State control over the rates charged by the cable companies, and this, I think, can be most easily effected through the licences which are necessary for the cable companies to enable them to land their cables in this country. The licences of the companies expire at various dates, some of them this year, and some next year, almost all of them within the next 10 years, and I propose to lay down the policy that in all new landing licences there shall be a clause giving effective Government control over rates, with due security to the company against the abuse of this power. The substantial paragraph in the clause is this: "The Postmaster-General may at any time by notice in writing delivered to the company object to the rates of charge of the company or any of them, on the ground that they are not just and reasonable in the interests of the public, whether in the United Kingdom or abroad," and in the event of disagreement on the part of the company to any suggested reduction proposed by the Postmaster-General, there is proposed to be a right of appeal to the Railway and Canal Commission, which is, I think the members of the Conference will agree, a very suitable body to adjudicate in this matter. I think this control over the rates being charged, while giving due regard to the proper maintenance of the cable system and the stability of the finances of the cable companies, will, in the future, enable reasonable reduction of rates to be made.

The Prime Minister suggests that I should explain that the Railway and Canal Commission consists of one judge, one gentleman who has had commercial experience, and also, as it happens, parliamentary and legal experience, and one member with special experience of railway matters. This Commission has, I think, the confidence both of those who represent public interests and those who represent commercial interests as holding the balance very fairly, and while not supporting rash attacks on commercial interests, at the same time seeing that the interests of the community at large are safeguarded. I should point out that it is the body to which the great arbitration between the State and the National Telephone Company as to the value