

9th Day.]

NATIONALIZATION OF THE ATLANTIC CABLE.

[15 June, 1911.]

Mr. PEARCE—*cont.*

600,000*l.* would be advanced by the Imperial Government on the same terms, but it is immaterial, for the sake of discussion, whether such be assumed or not, as the 600,000*l.* required would not be a great contribution from the four partner-Governments. According to the present division of the responsibility 200,000*l.* of this sum would fall upon Australia, 166,667*l.* upon the Imperial Government, 166,667*l.* upon Canada, and 66,666*l.* upon New Zealand. These amounts could be advanced on loan repayable by terminable annuities or granted absolutely to the new enterprise. This annuity which I have referred to as paid to the Loan Authorities is payable until 1952, and if it were increased to 95,000*l.*, and the currency extended to 1962, the whole debt would disappear. The payment of such an annuity would involve a further expenditure of 17,500*l.*, and as the expected surplus on the working of the new system would be 4,000*l.* there would be a slight yearly deficit of 13,500*l.* This sum would be payable by the four partner-Governments and would doubtless disappear if the facilities of the service were appreciated in Canada. The Board's lines of communication would pass through several of the more important cities of Canada, and it is anticipated that if the Dominion Government were to favour the scheme an extensive cable business might be done between those cities and the United Kingdom, especially as the new system would be in a position to carry messages at 6*d.* per word. In the discussion of this question it has not been assumed that the new system would enter into competition with the existing lines for Canadian business; nevertheless the Canadian Government might obtain some compensation for the sacrifices which it has made on behalf of the Pacific Cable, and the small returns it has received from that enterprise. If a cable were laid by the partner-Governments across the Atlantic, and a land line through Canada to the Pacific, messages might be accepted for transmission to the larger towns through which the land line would pass. The existing rate to Montreal, for example, is 1*s.* a word. There is no doubt the proposed new service would carry messages at 6*d.* a word without loss. It is not suggested that the Cable Board should enter upon general business in Canada, but that it should undertake to deliver messages in any of the large cities through which its line passes. If 200 ordinary messages of 10 words each were received daily they would, after allowing for operating expenses, bring in a revenue of 13,500*l.* a year, and make the scheme self-supporting. It may therefore be concluded that, with the concession by the United Kingdom of priority of cable over ordinary messages and the grant of way-leave by Canada, the scheme of an "All-Red" route of telegraphic communication through Canada joining the United Kingdom with Australia and New Zealand is feasible and not likely to entail any special financial assistance from the partner-Governments. I had proposed to give some examples of the difficulties which our people have been confronted with in dealing with the Atlantic cable companies; but in view of the statement made by Mr. Samuel this morning, they would not, of course, apply to the future, and therefore we should be only dealing with records of the past, and I do not propose to enter into them. It is sufficient to say this: Whenever business people have attempted to improve the present service they have always met an impassable wall in the private cable companies in the Atlantic. Whether by one method or another, they have found it absolutely impossible to get any concession from them and absolutely impossible to move them in any way. As I say, I do not propose to give those examples, although I have the correspondence here, and if Mr. Samuel would like to see it, I will let him have a copy of it so that he may be armed with it. Generally speaking, we do feel in Australia that the history of the Pacific Cable has taught us that the only effective means of dealing with this question is to extend that principle right through to the Motherland, and therefore we bring forward this proposition: "That this Conference strongly recommends the nationalization of the Atlantic Cable in order to cheapen and render more effective telegraphic communication between Great Britain, Canada, Australia, and New Zealand by thus acquiring complete control of all the telegraphic and cable lines along the 'All-Red route.'"

Sir WILFRID LAURIER: After the explanation which we have had from Mr. Samuel, the Postmaster-General, on a previous motion, which we have just