

15 June, 1911.]

CHEAPENING OF CABLE RATES.

[9th Day.

Mr. PEARCE—*cont.*

satisfactory to us. To our mind the method of controlling these charges in the future suggested by Mr. Samuel will not be a perfect remedy, nor will it achieve the end we have in view. The end we have in view, I take it, is the development of the transmission of news between the Dominions and the Mother Country. Mr. Samuel himself in his opening statement, referred to the time when the charge for messages between Australia and the Motherland was 9s. a word. What was it that brought about the reduction? Not any action by the company itself, but the action of the combined Governments in laying the Pacific Cable—that and nothing else. It was the threat of it that brought about that first reduction to 4s. 6d., and it was the actual putting into action of that threat that brought about the further reduction to 3s. for ordinary messages and 1s. for Press messages.

When we come to this proposal that in the landing licenses the Government of the United Kingdom will exercise its power to bring these rates before the Railway and Canal Commission, we are advised that it is a certainty that that Commission must decide the rates on such basis as will leave a profit to the companies carrying on those cables. Now the policy of the various Governments that have brought about the reduction I refer to has been to achieve the result even at a loss. That is a line of policy this Commission can never adopt; that is a line of policy which is absolutely closed to this Commission. They cannot do that; they cannot say to the companies, "We shall fix a rate for you which will cause you to carry these messages at a loss." They must always fix the rate on such lines as will give these companies a profit which will give them interest on their capital. Therefore, if we are to achieve, as we have achieved partially with the Pacific Cable—the full development of these messages for the purpose of assisting all portions of the Empire, that will not be a final solution of the difficulty. It is a temporary solution and certainly puts us in a better position, but as there is another proposition coming on to-day which will propose a different method, I will ask the Conference to reserve judgment, as far as Mr. Samuel's proposal is concerned, until we have an opportunity of discussing the other proposition. Then a comparison can be made of both and the Conference can then come to a conclusion as to which is the better policy for this Conference to adopt as most likely to lead to the development of the exchange of news between the various portions of the Dominions.

The only other point I want to raise is this: that the British Post Office has taken up an attitude towards a proposition by the Pacific Cable Board which I would have thought perhaps Mr. Samuel might have explained to us here. I am informed that it was the Treasury, but I daresay Mr. Samuel knows about it. The Pacific Cable Board wanted to lay a new cable between Australia and New Zealand for the purpose of facilitating business and also increasing their revenue. If this cable could have been laid it would have resulted in an additional revenue to the Cable Board of 14,000*l.* per annum. That would necessitate a Bill being passed by the Government of the United Kingdom to give authority to lay the cable, and the application was made to the Government for that permission. The Treasury asked first of all that the Governments concerned should give an assurance that if the wireless stations proposed to be erected in the Pacific were erected those wireless stations were not to be used for commercial messages. That assurance was given, and then the Treasury informed the Board that they could not consent to the laying down of that cable between Australia and New Zealand, because in future it might interfere with the developments in connection with wireless. That was the only explanation we had, and it seems to me an extraordinary proposition, equivalent to saying that you will not lay down Dreadnoughts because an aeroplane may be able to blow them up or down.

Sir JOSEPH WARD: Quite right; it ought to be done.

Mr. PEARCE: We would like, if it could be done, that some explanation should be made by you at this Conference, because it seems to us that if we could add to