

9th Day.]

NATIONALIZATION OF THE ATLANTIC CABLE.

[15 June, 1911.]

Mr. PEARCE: There is one point I should like to ask Mr. Samuel before he concludes, and that is this: What would be the life of the landing licence proposed to be given to the cable companies under the new arrangement?

Mr. SAMUEL: The Imperial Conference of 1907 recommended, on the proposition of Cape Colony, that a maximum of 20 years should be observed. In practice we never give more than 20 years, and we give as much as 20 years only in cases of new cables where it is necessary that the Company should have some security for being able to recoup their capital expenditure. As a rule the renewals are for about 10 years.

Sir JOSEPH WARD: Does Sir Wilfrid Laurier agree with that resolution?

Sir WILFRID LAURIER: Yes.

Mr. SAMUEL: The point is really not one of importance, because at any time the Government can take action, under my proposal, for a reduction of rates where a reduction is desirable and reasonable, and not only at the moment when the landing licences are renewed.

CHAIRMAN (Mr. HARCOURT): May I take it that the Conference will accept this resolution?

Mr. PEARCE: You ask that I should withdraw my resolution and you propose one in substitution.

CHAIRMAN: Or you could move it.

Mr. PEARCE: I prefer that you should move it.

Sir JOSEPH WARD: I want to say a word, if I may be permitted, as to the estimate of the British Post Office of the expenditure required for that Pacific Cable. As the result of close investigation into it, I not only agree with it but I put it at 3,000*l.* higher, so that upon the point of expenditure upon the Atlantic cable your estimate, from your Department, Mr. Samuel, is quite in accord with the independent investigation that I have had made into it, and which has been made by my Department in New Zealand as well.

Mr. SAMUEL: It was the estimate in the draft report, as I understand it, of the committee.

Sir JOSEPH WARD: No; the estimate you gave from your office as against the draft report. What I do want to say is that I cannot understand how the estimate for that cable has been arrived at from this end. In my opinion, excellent in some ways as the estimate is, it is an under-estimate. I cabled out to New Zealand to the head of the Postal and Telegraph Department there to examine into the matter carefully, and I have got back from them, as a result of close investigation—and it has been most carefully done—that their estimate is that the words over that Atlantic cable would be 1,000,000 beyond what the British Post Office estimates, within 12 months after it was in operation. Now, it is my firm conviction that that is the case. If the estimated receipts from that wire are taken upon the basis of 1,000,000, as against 2,000,000, the revenue is about half what it ought to be. In arriving at estimates you have to be on the conservative and careful side. I recognise that fully, and I believe the departmental officers in my Department in New Zealand have been on the careful side. So we have the two departments, one at this end and one at the other, differing materially. This one is basing its revenue on 1,000,000 words, and at the other end they are estimating that within 12 months it will be 2,000,000 words. Whilst the British Post Office put down the receipt at 25,000*l.*, we put them down at 53,000*l.*, which is about double the amount the British Post Office estimates. I do not want to take up time, but I carry my memory back to attending Postal Conferences in the years 1892 and 1893, and I am bound to say from the point of view of the heads of the departments and rightly so, as they are