

15 June, 1911.] NATIONALIZATION OF THE ATLANTIC CABLE.

[9th Day.

Sir E. MORRIS—*cont.*

efficiency very often, because the fact of the various companies competing causes them to give low rates and produces efficiency ; and, secondly, in cases where it would be a very large loss to the State it might not be well to consider it. But in this case, as regards the Atlantic cables, I think it is very fair and safe to assume that the Western Union Cable Company would not be purchasing the Anglo-American and buying their five cables unless there was money in it at present, or unless they saw some way of making money by removing the present competition. Now, if there is money in it for the Western Union there ought to be money in it for the Government to acquire and own those cables. Of course it is a matter that ought to be inquired into very carefully. As to the first resolution proposed by Sir Joseph Ward, as regards everything possible being done as to the rates, we know now that to a very large extent that is being done, and as regards the other four resolutions we may learn that something has been done in this respect, and possibly our views may be accomplished. Personally, if it can be done, I should rather favour the nationalization of these various utilities within reasonable amounts.

Mr. SAMUEL : These resolutions invite the Governments which are participating in the Pacific Cable Board to incur an expenditure, apart from the Canadian land line, of about 530,000*l.* for the cable alone, 470,000*l.* for the line from the United Kingdom to Newfoundland, and about 62,000*l.* to connect with Canada. I should like to mention to the Conference some considerations in this connection which appear to me to be relevant. In the first place, the load which may be given by the Pacific Cable traffic to an Atlantic cable would be, it is estimated, about 1,000,000 words a year at the present time. The average traffic carried by the Atlantic cables per cable is about $2\frac{1}{2}$ million words at the present time. The capacity of a cable is from 5 million to $5\frac{1}{2}$ million words, so that the present traffic that could be given to this cable, if it had all the Pacific Cable Board's work, would be less than one half the amount that is carried now by the Atlantic cables on the average, and rather less than one fifth of what a cable is capable of carrying in the course of a year. The question therefore arises whether the deficiency can be made up by other business or by an increase of business, so that the heavy loss which would accrue in working a cable with less than half the business the other cables work with can be made good. Of course, if the business is increased by a large reduction of rates, then, while you will be filling up your cable during the day, on the other hand you will not be increasing your revenue, and consequently from a revenue point of view the advantage will be small. If, on the other hand, it were possible to fill up with general commercial and other business between Canada and the United States and this country, in other words, to compete with the other cable companies, then, perhaps, the loss might possibly be wholly or partially made good. But I want to point out that so far as regards the traffic from Canada and the United States to this country there would be very little possibility of attracting any business to a State-owned Atlantic cable, because, as the Conference is aware, all the land telegraph lines in those countries are in the hands of private companies which are closely connected with cable companies, and, of course, they would not transmit ordinary business to a competing State-owned cable as against the interests of the cables which they themselves own, or with which they are closely allied. So far as business from the United Kingdom to Canada and the United States is concerned, Mr. Pearce suggested that possibly the British Post Office might give preference to cablegrams handed in at our Post Offices for transmission over our Government land lines if they were to be sent by the new proposed State-owned cable. I would point out, however, that our statutes debar us from giving a preference of that kind, and though, of course, legislation might be possible, I should not be able to guarantee that the House of Commons would be willing to enact legislation of that character. Further, there is this consideration, a very important one, which has to be borne in mind, that from the date when the private telegraph lines in the United Kingdom were purchased by the State, that is to say, 1870, there has been an agreement between the Post Office and the Anglo-American Company that all telegrams handed in for transmission across the Atlantic at any British Post Office, unless the sender specifies some other route, must be sent by the Anglo-American cables.