

Imperial Cable Merger—Mr. Heaps

representatives of the four interested governments to consider and report on whole commercial position of cable and question of broader policy as to future management, and particularly as to how cable and wireless systems can work together for their common advantage. Representatives on this committee should be invited to make concrete suggestions as to how cable might best be operated in future. Immediate appointment desirable as cable is losing money daily due to wireless competition and whole question becoming very serious one for all governments concerned.

In this paragraph it is intimated that the cable was losing money daily. From the information I have, however it appears that in the year 1927-28 the cable actually made a profit, after paying all depreciation and allowing for interest charges, of about \$100,000. I have not the exact figures by me, but I can get them. The communication proceeds:

We appreciate force of considerations as to appointment of chairman and advisability of visiting cable stations to report as to what economies can be effected but believe essential first to deal with broader questions of policy, particularly as recommendations of policy committee if set up might involve change in entire organization of Pacific cable board. Canadian government therefore of opinion appointment of permanent chairman should be deferred until report of policy committee received which should be at latest before end of this year.

Secretary of State for External Affairs.

Having read this communication, I will now give the next one, dated Ottawa, December 15, 1927, from the Secretary of State for External Affairs and addressed to the Secretary of State for Dominion Affairs in London.

Telegram, code, secret.

Your secret telegram 8th December—

This refers to a telegram or cablegram received from the Secretary of State for Dominion Affairs in London, but there is nothing in the correspondence to show what are its contents. Evidently the whole trouble in this connection arose after the competition began between a government-owned and a privately-owned utility. The government-owned utility was giving such hot competition to the other that it was necessary for a conference to be called, and that conference resulted ultimately in a privately-owned utility, which was losing money, taking over the publicly-owned utility which was a huge success.

—competition between beam wireless and cables. Government of Canada agrees that special conference be held in London as soon as possible to deal with situation but requests that terms of reference allow of representatives sending for such British cable and wireless bodies as they may wish and receiving from them such solutions of the existing problems as they may care to submit. Government of Canada nomin-

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ates Sir Campbell Stuart as its representative on such conference board and will send a member of the Postmaster General's staff as adviser.

Secretary of State for External Affairs.

I want to ask the Postmaster General (Mr. Veniot) who recommended to the government the name of Sir Campbell Stuart, because it will be shown before this debate has concluded that this gentleman was an interested party in the whole matter and was not a fit and proper person to represent the government at such a conference. There is one other communication, and this is all that the government have submitted. This communication is dated the 4th day of January, 1928, and is as follows:

Sir Campbell Stuart, C.B.E.,
Hyde Park Hotel,
Knightsbridge,
London, S.W. 1, England.

Dear Sir Campbell: I enclose papers re the Pacific cable as the minister will bring them before council to-morrow. We have sent a copy on to Mr. Gaboury also—he is in Montreal prior to sailing on the "Montrose" from St. John on the 6th. Should there be any change at council, or anything to add, we will cable you—in code, if necessary, using the code which Mr. Brown left with us when here last summer.

Yours sincerely,

Assistant Deputy Postmaster General.

It does not appear where the communication was from or even who signed it. However, I should like to know who Mr. Brown is. Can the Postmaster General inform the house who this gentleman is? This is rather important, because it is evident that in the summer of 1927 a Mr. Brown—I have no idea who he is—was in Canada and left certain codes to be used if necessary. I have tried to find out who he is. I find in one of the documents before me the name of Mr. Brown, but I am not inclined to think it is the same gentleman referred to in this correspondence. I am anxious to have some information on this point, and I think the house would appreciate it if the Postmaster General would say at this stage who this Mr. Brown happens to be, to whom reference is made in the communication of January 4, 1928.

Mr. LAPOINTE: Does not my hon. friend think that such questions might be more properly asked and answered in the committee stage? If the Postmaster General replies now the hon. gentleman will not be able to speak again.

Mr. HEAPS: I appreciate the point the Minister of Justice (Mr. Lapointe) makes, but had the Postmaster General given any information to the house touching the question it might put a different complexion on