

made between the mother country, Canada and the leading Australasian colonies, that any action tending to endanger the success of the Pacific cable would be a breach of good faith on the part of those concerned. It happens, however, that there are certain colonies not included in that arrangement whose action may give rise to a similar state of things to that which we have been objecting to, namely, the establishment of dangerous competition with the government cable. Also, the proposals made by the Eastern Extension Company to some colonies which were in the bargain, appeared on their face tempting, and not unfair to the colonies concerned. It has apparently become impossible, then, to secure the prohibition of cable construction by the Eastern Extension Company to those colonies. The solution now proposed, that of a purchase clause in any of the agreements made by any colonial government, or by the Imperial government, with that company, seems to be the only way out of the deadlock. If such a clause be included in any arrangements made, the construction of the cables referred to, by the Eastern Extension Company, will not be so dangerous. It is true, they institute competition with what is intended to be a government cable; but if that competition can be removed by government expropriation and purchase at any time, the objection becomes less. I have great pleasure, then, in supporting the proposition that we should approach the British government with strong urgency to secure the adoption of such an understanding.

Let me speak for a few moments in general terms about the claims of these two enterprises—the extension of existing cables by the Eastern Extension Company, and the building of a government cable. Judging by extracts which I have seen from Australian papers, the editors of these papers have not got a clear idea of what it is proposed to do. They speak of the proposed Pacific cable as being controlled by a company. They do not see why any one company should have a monopoly of the cable business between those colonies and the rest of the empire. Now, it cannot be made too clear that the proposed Pacific cable is not to be built or controlled by any company. It is not a private enterprise. Nobody stands to make anything out of it. It is to be built and managed throughout by a trust representing the British government, the government of Canada, and the governments of the other colonies which come into the bargain. It is no more of the nature of a private enterprise than the postal system which pervades the empire. There is no more reason in urging that there should be competition with this government cable in order to secure the lowest possible rates for the populations concerned, than there is for urging that there should be competition with the government postal system throughout the empire. We all know that governments in all

ages, since post offices have been introduced, have agreed to prevent competition with that postal service. It is illegal to compete with the post office in the carriage of mails in any civilized country, and it should be so. It is one of the services which a government can do cheaper than any private corporation. It is of the nature of a monopoly, and it should be controlled by the people for the benefit of the people and not for the benefit of private investors or speculators. Sir Sandford Fleming, in a letter to the people of the Australasian colonies, calls attention to some very notable considerations in this connection. He says:

If in the United Kingdom charges on messages have been lowered in some cases to one-twelfth what they were when the telegraph lines were in private hands, are we not warranted in the conclusion that in the larger field like results would follow a like cause. If the application of the principle of state-control in the United Kingdom has lowered charges on messages to one halfpenny per word for all distances, under the same conditions may we not look forward in the near future to the charge on ocean telegrams throughout the empire being reduced to one shilling per word, or even less? This, I conceive, is by no means too sanguine a view to take; I have given the matter much consideration, and I am perfectly satisfied that if at this juncture the Australasian colonies follow a wise course they will be instrumental in conferring on the British people throughout the world the inestimable blessing of a state-owned cable system, by which eventually the very lowest tariff on messages will be obtainable. I much hesitate to express my full and deliberate views on this point lest I be regarded as a visionary. If, happily, the present difficulty be overcome, the Pacific cable proceeded with, and the larger scheme followed up, I am satisfied that one of the chief objects to look forward to in a few years will be a uniform six-penny tariff the world over for ocean cables; precisely on the principle of Imperial penny postage.

Sir Sandford Fleming has sometimes been called a visionary: but it is a remarkable thing that most of the schemes, for the promotion of which he has been called a visionary, have been realized, have come into practical effect, and have been beneficial to the public and the empire at large. I think there is every reason for believing that in this connection he is right. The illustration of the Imperial penny postage is exactly apposite. No private concern could pretend to carry the mails at the rates at which they are carried by the postal services of the different countries concerned in the penny postage scheme. In the same manner no private enterprise could possibly send telegrams at as low a rate as a government telegraphic service. If the one system is good, the other system is good; the two go exactly *pari passu*, and the arguments which experience has produced in favour of the one are convincing in regard to the other.

So much for the merits of the case. Let me say again, a few words as to our right to speak on this matter. In the first place, the government of Canada was amongst the