

which I expected we would obtain, there is only one solution of the difficulty—we must have a state-owned cable across the Atlantic between Canada and Great Britain, just as we have the Pacific cable from Australia to Vancouver. I may be told that this would mean an extravagant expenditure for Canada. Before the last Imperial Conference I prepared for the use of the Prime Minister (Sir Wilfrid Laurier), who was then leaving Canada, a memorandum on this question. That is, the memorandum was prepared under my direction by one of the ablest officers of the Post Office Department, Mr. Wm. Smith, who has had great experience in such matters and who was even the adviser of the Newfoundland government some years ago on the question of cable and post office. Now, here is the proposition laid before the Prime Minister of that day before he left for the Imperial Conference:

The cost of a first class cable laid between Canada and Great Britain is placed at \$2,000,000,—

Not \$5,000,000 as stated by my hon. friend from East Lambton (Mr. Armstrong).

Mr. Baxendale, the general manager of the Pacific cable, thinks the amount might be reduced with safety, but it is better to be over-prudent.

Stations fully equipped for work must be provided at each end of line. For the cost of these we look to the Pacific cable accounts. This we may do with confidence that the figures will be high enough, as some of the stations are in remote and lonely places, and have to be fitted up with a degree of comfort and luxury which would be unnecessary in places in which the circumstances are more favourable. There are six stations in connection with the Pacific cable, and the cost of their construction was £114,512. On this basis the cost of these two stations would be £38,171, or rather less than \$190,000. The cost of the cable ship for the Pacific cable was \$365,355. We shall adopt these figures for a cable ship on the Atlantic. The total capital expenditure would, therefore, be \$2,555,355. There will be an annual charge for interest and sinking fund for the repayment of the capital expenditure at the end of fifty years. I had the actuary of the Annuities Branch calculate the amount of this annual charge, which would be \$76,661 for interest and \$22,654 for the sinking fund, the rate being 3 per cent.

Proceeding on this basis, the annual charges for the Atlantic cable would be as follows:—

Expenditure.	
Interest on capital outlay.. . . .	\$ 76,661
Sinking fund.. . . .	22,654
Head office expenses.. . . .	30,727
Cable stations (salaries and expenses).. . . .	71,360
Cable ship (salaries and expenses).. . . .	57,571
Reserve and general renewal fund....	3,500

Total.. . . . \$292,472

Now Sir this is the expenditure, what about the anticipated revenue?

Mr. LEMIEUX.

The actual business passing between Great Britain and Australia by the Pacific cable last year was 960,000 words. All this business went over one or other of the Atlantic cables last year. The Canadian business with Great Britain is not exactly known, but the British post office, in a confidential memorandum written in 1908, placed the business at 2,500,000 words a year. If the rate were made 12½ cents per word between Great Britain and eastern Canada, 1 cent a word would be required for the land lines in Great Britain and 2½ cents per word for lines in Canada. This would leave 9 cents for the Atlantic cable. At 9 cents a word, the present business would yield a revenue of \$311,400. This amount would pay all expenses, which are put on a most liberal scale, and yield a surplus of \$18,928. There would at once be a vast increase in the business consequent on the 50 per cent reduction in the charges, and before the first year was over the surplus could not fail to be from \$100,000 to \$150,000.

Now, I had this very conservative report prepared by one of the experts of Canada, and I may say one of the experts in the cable world, Mr. Smith, of the Post Office Department in Canada. We must not minimize the ability of our public servants. I consider Mr. Smith as a decided authority on the cable question. The figures which I quote this evening have been revised by Sir Sandford Fleming, who is also one of the great authorities in the world on the cable question, and I consider these figures are very conservative. Therefore, if the British Postmaster General and the cable companies cannot come to an agreement whereby a substantial reduction will be given to consumers in Canada, and if the British government declines to be a party to joint state-owned cables, then the clear duty of His Majesty's government in Canada is to establish a state-owned cable across the Atlantic. \$2,200,000 is a very small capital indeed for a country so rich, so prosperous, so intensely Imperial as Canada is, with no loss in perspective, with a large and buoyant revenue indeed, and with a surplus, a thing which I am sure will receive favour by my very conservative friend, the Minister of Finance.

Now, Mr. Speaker, I think I have shown clearly the advantage of having cheap cable rates. From an Imperial point of view, from a purely Canadian point of view, from a business point of view, we should have cheap telegraphic communication with the mother country. In order to educate properly the Canadian public, in order that the wells of information may not be tainted or poisoned, we should have a cheap press rate between Canada and the mother country. The cable companies are in some degree at the mercy of the British Postmaster General, because, before operating in England, they must have from the British Postmaster General what we call the landing privilege. He holds a big stick in his hands, and it is probably because of that