

panies, is more bent on dividends and profits, than on benefitting the public, and that it has adopted the policy of charging rates very much higher than Marconi himself seemed at one time to consider necessary. This is of course more the conclusion I have arrived at after learning the terms stipulated by the company in the arrangement with the Government. Instead of the very low rate expected, the Marconi Company claims ten cents per word for the transmission of ordinary messages.

Taken by itself, a reduction from twenty-five cents to ten cents per word is a great step in the right direction, and the arrangement entered into by the Government, to effect, if possible, the desired end, may be regarded as to a large extent, satisfactory and wise. A reduction of 60 per cent. on present charges, assuming that the experiments and trials, soon to be undertaken, succeed, will prove a great public benefit, and its influence for good will be felt in many ways.

I confess, however, to a feeling of disappointment that the Marconi company has not seen its way to make the rate considerably lower. In my letter to the Postmaster-General of January last, I pointed out that by establishing a direct State-owned cable, ordinary trans-Atlantic messages could be transmitted for five cents a word and that there would be the prospect of a further reduction as traffic increased. Under these circumstances it seems to me more than likely that unless the Marconi Company can perform the service for half, or less than half, the rate stipulated, it will not be possible for it to give to the Canadian public, permanent satisfaction. Our requirements demand the speediest and cheapest means of communication such as a self supporting State-owned cable could give.

ATLANTIC CABLE SERVICE.

As judgment has to be suspended in the matter of the Marconi system, it may not meanwhile be without profit to consider the alternative. In doing so, I shall not tax your patience by repeating the arguments I advanced in my letter to Mr. Mulock, in respect to the establishment of a State-owned trans-Atlantic cable. I furnished evidence to prove that such a cable if employed only about two hours a day, would, at the existing tariff of charges, be self-supporting. I shewed that there is practically within sight, business to keep it going for twelve hours a day at the rate of five cents per word, and I pointed out that, if employed up to its maximum limit, the earnings would be sufficient to meet interest on cost, sinking fund to replace capital, maintenance and all operating expenses, if no higher rate be levied on messages than two cents per word. I do not recommend beginning with the extremely low rate of two cents, but I can see no reason why a five cent tariff should not be the standard for ordinary messages from the first. All such messages would be despatched in the order in which they would be received. Urgent messages for which a preference in delivery is desired, would be subject to an extra charge for that privilege. Obviously a reduction from twenty-five cents a word to a standard rate of five cents for ordinary messages