

communication; it was done at a time when it was necessary, not so much in the Canadian interests, because our share, so far as the sending of cables was concerned, was very small in comparison with communication between England, Australia and New Zealand; but the Canadian government years ago undertook to contribute to imperial intercommunication. We paid a large amount of money as our contribution thereto, and happily, from 1916 until two or three years ago, it proved a more profitable investment, so that we ceased to pay towards deficits. But when the beam wireless was put into operation it became manifest that there would be a reversion to the former condition and that the Canadian government would have to pay every year a certain sum towards the deficits which it was admitted would ensue from the competition of the wireless. We have everything that was contemplated when we undertook to pay our share towards imperial intercommunication, and to-day the companies remain British; it has been seen to that they shall be under British control at all times.

Mr. NEILL: Is there control of rates?

Mr. LAPOINTE: Rates are controlled through an advisory committee on which Canada is being represented. More than that, on the board of directors of the merger there will be two representatives to be selected by the Imperial government. In short, we have everything without paying anything, and we are getting back \$700,000 of the \$900,000 which we paid during the period of deficits. And the other governments of the empire have agreed to that; they have passed legislation to that effect. We are interested only to a certain extent. We were interested in the payment of deficits in this proportion: Canada 5, England 5, Australia 6 and New Zealand 2; 5/18 was our share. All others agreed to this scheme. We are going to enjoy every benefit that may come to us because of cable and wireless facilities and we do not pay anything. Why should we object to the scheme?

Mr. HEAPS: I wish I could be as enthusiastic about the proposal as the Minister of Justice is. The control which the government have in this whole matter is more apparent than real. As a matter of fact, the two representatives who, the minister says, are to be nominated by the British government, may sit only with the consent of the new company that is being formed, and if these two representatives whom the British government may appoint do not meet with the approval of the

new company they will have no right to sit on the board. Moreover, what control can two representatives exercise on a board of this kind comprising thirteen, especially when the two must be nominated subject to the approval of that board? I say, therefore, that the control is not very real.

As regards rates, there is little control. According to the statements that have been made there is some arrangement whereby rates are not to be increased for a certain time, but there is nothing about reducing the rates; not at all. Personally I cannot see very much in the argument of the minister. It is true that there were deficits for a number of years until 1916. But just at the moment when they are showing a surplus it is decided to sell out. When all the pioneer work has been done, when the years of struggle have been passed which have been spent in making the Pacific cable board a success, then they sell out.

There is another point which the minister never touched, and that is that the government themselves issued a license to a private company—I do not know just what it is called—to operate a beam system between this country and Australia in competition with our own cable system. If there is to be a loss, as the minister has pointed out—if as he says a loss on the cable system is inevitable—is there any reason why this government could not own and operate a beam wireless between this country and Australia? What is to prevent it? Nothing, except the question of policy. The beam wireless, I would point out, is a huge success from every point of view. It can transmit messages at two-thirds of the rates charged by the cable companies, and at the same time it makes for greater efficiency; furthermore, it shows a large surplus over operation expenses. If this is the case, was there any reason why in 1926 a license should have been issued or permission given by the government to a private concern to operate a beam wireless between this country and Australia?

Mr. LAPOINTE: At that time the beam wireless was in operation between England and Australia quite independently of any license given the Canadian Marconi.

Mr. HEAPS: Yes, and operated by the British Post Office.

Mr. LAPOINTE: That is where the profits went.

Mr. HEAPS: They got the profits and not the private company; and now it is proposed to hand the enterprise and profits over to a private corporation.