

panies the Postmaster General of England did not feel that he would be justified in granting to the two English companies the right to merge with other companies without previously giving reductions to the Canadian public. But, Sir, I repeat that the reductions are not sufficient. They are only a first instalment, and we must have further reductions, or else Canada and Great Britain, or if not Great Britain, Canada must have a state-owned cable between this country and Great Britain.

Mr. Speaker, the history of the cable companies is rather a sad history for the consumer in Canada, and in America generally. The first cable was laid in the Atlantic ocean in 1866. The line was the property of the Anglo-American Cable Company, which had an entire monopoly of the business until 1869, when the French Atlantic Cable Company laid a line from Brest to St. Pierre, and thence to Sydney, Cape Breton. After two months competition, the French company was absorbed by the Anglo-American Company, and thus sole control was obtained by that company. The charges in the early days of the ocean telegraph were simply enormous. They began with a minimum tariff of £20 for 20 words, or £1 for each word, and £1 for each additional word. This rate was reduced to a minimum of £10 for 20 words, and shortly afterwards to £5 for 10 words. It was again brought down to 30s. (\$7.50) for ten words of five letters each. In 1867 the practice of making a minimum charge was abolished, and thereafter the tariff was simply so much for each word transmitted. In 1872, the Direct United States Company went into operation. It was a British company. There was a reduction, but the American company at once declared war on the new company, and after two years of unequal struggle, the latter company was obliged to capitulate. The result of the struggle, however, was so far beneficial to the public that the rate was reduced from 4s. to 3s. a word. In 1879, another French company came in. It was the company headed by Mr. Pouyer-Quertier of France. What was the result of the operation of this new concern? The Anglo-American Company and the allied companies made the usual onslaught on the new comer, bringing the rate down to sixpence a word. It started at £1 a word, and competition brought it down to sixpence a word in 1879. This lasted until 1881, when, after a year and a half of rivalry, the Western Union, which controlled the land service in Canada and the United States, resolved to take a hand in trans-Atlantic telegraphing.

Rates were reduced to one shilling a word, and after some months Mr. Gould, who was controlling the Western Union, joined himself to a combine, and im-

mediately up went the rates from one shilling to two shillings a word. In 1884 the Commercial Cable Company appeared on the scene with two cables, and offered a one shilling and eight penny rate for business. The allied companies—that is to say the Anglo-American and other companies—at once dropped their tariff to the same figure which ruled until the 15th of May 1886, when the allied companies after a fruitless effort to come to terms with the Commercial Cable Company suddenly lowered the rate to sixpence a word. This lasted until 1887, but in 1888 the American Cable merger, or the American Cable Pool as it is called to-day, was formed and the rates were all made uniform and put at the fixed figure of one shilling a word. It has remained at that figure until this very day. Now, Sir, we have in this, two facts outstanding: First that when there are companies operating, all this competition will bring necessarily a reduction in the rates, and secondly when the companies merged into one pool, as they did in the present instance, we have the existence of a monopoly. So much so that one of the general managers of the Anglo-American Company discussing in this annual report in 1902 the so-called urgency, as he stated, of reducing the rates defined what he termed a reasonable rate. He said it was a rate which the companies could get out of the public without too much complaint. Now that rate of one shilling has been imposed on the public since 1888 whereas previously the companies had been satisfied to do business with a rate of sixpence a word. Now let us see, from the report of the companies, what the effect was of that sixpenny rate from 1886 until 1888. The Anglo-American Company reported to its shareholders at its annual meeting in January 1888, that as a result of the reduction to sixpence the traffic of the allied companies had increased 162 per cent, notwithstanding the serious inroads made by the Commercial Cable Company. Think what this means, Mr. Speaker. That 162 per cent increase means that if the companies were sending 10,000,000 words a year before the reduction to sixpence, within eighteen months after that period they were sending 26,200,000 words. Therefore this reduction in the rates has been most beneficial not only to the public but equally to the companies interested. Now I claim that the Cable companies with the enlarged business they have enjoyed for several years, now that the public are using more freely the cables across the Atlantic, could to-day at least revert to the old rate of sixpence a word, and I claim that for press messages the companies could very well reduce their rate to threepence a word. It is very important not only for the manufacturer, and the broker but for the merchant, the

Mr. LEMIEUX.