

There remain divisions 3 and 4 to complete the whole series of Empire cables. The principle of State ownership and State partnership having been adopted in respect to the Pacific, the extension of the principle to this the second half of the globe-girdling system would seem to follow naturally; but obstacles are met, the character of which call for explanations, and the means of overcoming them require to be considered.

With respect to the difficulty which has been raised and the complications which have been caused, they are directly traceable to the efforts of certain companies—the owners of cables between Asia and Australia. From the first the scheme of Empire cables has been bitterly opposed. Ever since the Colonial Conference of 1887 the proposal to establish submarine telegraphs, to be owned and controlled by the State, has met with determined opposition. The companies referred to have enjoyed a rich monopoly, they have exacted very high charges on messages, and have drawn from the public enormous profits. While the source of their lucrative business is in Australasia, the headquarters of the companies are in London, and the powerful influence they have been able to exercise has been employed at every step and in every conceivable way to stifle the proposal to establish State cables.

When at length it became known that the Home Government, together with Canada, three Australian States, and New Zealand, had resolved to establish the Pacific cable, the hostile companies combined and determined to adopt drastic means in order to defeat the new State policy. They saw plainly that a State-owned cable across the Pacific would lead to similar cables traversing the Indian and Atlantic Oceans. They accordingly decided to preoccupy the ground by laying a private cable on the route which had previously been selected in the Indian and partly in the Atlantic Oceans, for the State-owned line. Moreover, they made tempting overtures to the Governments of the Australian Colonies, offering to reduce the burdensome telegraph charges hitherto exacted, provided these Governments granted them certain concessions; which concessions, it was afterwards discovered, would enable the combined companies to ruin the commercial outlook of the Pacific cable, and possibly lead to the companies gaining control of that undertaking itself. Unfortunately, the then Government of New South Wales listened to the overtures and granted what the companies desired. Now the Commonwealth inherits the act of New South Wales, and the objectionable terms secured by the companies cannot be rescinded in an ordinary way.

These, in brief, are the circumstances which led to the difficulty in Australia, which has perplexed the Government partners in the Pacific cable, and caused much friction. There is a collision of interests—private on the one hand, public and Imperial on the other. The companies having command of great wealth and bent on their own aggrandisement at the expense of the general good, have adopted a bold and aggressive policy. In the event of their designs succeeding they would hold firmly in their grasp the inter-Imperial cables, which should all be under Imperial control.

Every patriotic man will see the need of those great lines of communication, defined as Empire cables, being absolutely removed from the control of companies or individuals whose highest aim is to make profit, and who, in this case would accomplish that object by levying higher taxes than necessary on the intercourse of the people. Moreover, to leave any portion of the Empire cables in the control of companies would be to invite greater difficulty. It must not be forgotten that the property of companies is transferable to purchasers willing to pay the stock market price; and thus a company financed in London, as a British company, may come to be controlled by foreign owners. Obviously the cables of the Empire, unless absolutely State-owned and State-controlled, may, without attracting attention, cease to be British, and thereupon be employed in a manner detrimental to British interests.

At the last annual meeting of the British Empire League in Canada a minute was adopted, the fourth clause of which reads as follows: "The Empire cables would actually be the great nerves of the Empire, and this League firmly holds the opinion that whatever else may remain the property of private companies or trusts, the Empire alone should own its own nervous system." Every sane person must give his adhesion to the principle laid down by the League, that the electric nerves of that complex organism which we designate the British Empire should be entirely removed from danger; that they should be in the sacred keeping of the State alone; that they should be allowed free play to produce and maintain a community of sympathy, and thus prove a potent factor in carrying out the destiny of the British people.

There can be no objection to private companies owning cables other than those within the circle of Empire cables. In all cases when the former intersect the latter they would assume the position of branches, and as such they would greatly gain by the connection. The true policy for the Governments will be to reduce charges on telegraph messages transmitted by the Empire cables to the very lowest rates, resting content with no higher revenue than may be required simply to make the service self-supporting. If this policy be adopted two results will assuredly follow: (1) The volume of telegraph business developed by the globe-encircling system will become enormous; (2) the charge for transmission will eventually be reduced to a point far lower than the dreams of the most sanguine. Both results will benefit the private companies owning the connecting lines, as the low rates on the Imperial trunk system will bring a continuous stream of telegraph traffic to the branch lines for dissemination.

The subject of the Empire cables was considered by the Fifth Congress of the Chambers of Commerce of the Empire at the Montreal meeting last August. The action taken by that united body was most significant. This parliament of representative commercial men from all parts of the British world pledged itself to the project as a new cohesive force—an electric bond of union—an indispensable factor in Imperial unity. The resolution, unanimously adopted, declares that the scheme of Empire cables would put an end to the difficulty which has been caused by the allied cable companies in Australia, and remove all friction which has arisen between the six Governments concerned as partners in the Pacific cable.