

We are aiming to establish a work which will result in all future years in a great saving to each Colony. It is suggested that each Colony, in proportion to the saving effected, should set aside a small portion of the money so saved to keep the work which effects the economy, in an efficient condition. For every hundred pounds saved, ten pounds, or perhaps eventually five pounds or less, is proposed to be funded to cover possible contingencies.

With regard to the probable earnings for revenue purposes, it will be seen, on reference to the memorandum of 6th April, that the foreign business of the Australian Colonies for the year 1889 is estimated to be 85,000 messages, or about 850,000 words. It is not to be expected that the whole traffic will come to the new line, for the existing telegraph company will undoubtedly reduce its charges in order to retain a share of the business.

Let us assume that the business will be equally divided, and that the new Company will only have half of the 850,000 words; this will give 425,000 words, and we may reckon this business at four shillings per word, as the terms made with the Canada Pacific Railway Company will admit of "through" messages being sent at that rate.

425,000 words at 4s.	...	...	...	£85,000
Less cost of working and land service, say				40,000
Giving a balance of	...	...	...	£45,000

Equal to $4\frac{1}{2}$ per cent. on £1,000,000. This estimate is for the first year the line can be in operation. On careful examination it will be seen that the estimate is an exceedingly moderate one, no allowance having been made for the great impulse which will