

be in operation, and that the gross earnings, reckoned at the low rate of 2s. per word for the Pacific cable, would amount to £110,000; for the year 1899, £126,500; and for the year 1900, £143,000. If from these estimated yearly earnings we deduct in each case the fixed charge for interest and working expenses of £75,000, we would have a surplus in 1898 of £35,000, in 1899 of £51,500, in 1900 of £68,000, showing a total surplus of £154,000 for the first three years the cable would be in operation. After these first three years, during which the cost of maintenance would fall on the contractors, this item would be a charge against surplus earnings. Sir Sandford Fleming has taken the annual cost of repairs and maintenance, interest, and working expenses, at £125,000, and allowing for this he finds that the total surplus in 10 years would amount to £742,000 on the assumption that the volume of traffic would increase at the normal rate. The low rate of interest payable on capital, owing to the guarantee of the British Government, is an important feature in these estimates. Apart from the figures given above, Sir Sandford Fleming directs attention to an advantage frequently overlooked, and to which the Committee make no reference in their report, viz, that the reduction of rates from 4s. 9d. to 3s. per word will, within the first year after the Pacific cable brings such reduction about, effect a gross saving in Australasia and the mother country of £190,000, a saving which will be repeated annually, and will be continually augmented by the growth of business. The indirect advantage to Canada will be great, and as the Pacific cable is now receiving the support of the Home Government, and absolute cash returns do not count for everything in the matter, we may well consider the indirect gain to the Dominion as not the least of the prospective profits. Miss Flora Shaw has pointed out that "Canada commands the commercial high road of two hemispheres," and the establishment of the Pacific cable is a necessary adjunct to this highway, all the more advantageous that, in itself, it will be self-supporting, if not a source of profit.

In their report the Committee are careful to state that they have been "actuated by extreme caution," and although we think that as regards the probable revenue the report is too conservative, still we are glad to see that here, as in other divisions of the report, the Committee have refused to accept, blindfold, the opinions and figures advanced by the representatives of the Eastern Extension Telegraph Company and