

3. No dividend would require to be declared, or bonus paid. Revenue would only have to meet ordinary charges, including interest on the actual cost at a low rate, possibly  $2\frac{1}{2}$  per cent.

4. Remunerative traffic which would be controlled by the Australasian government already exists.

5. Such traffic is continually growing, and it is difficult to assign a limit to its growth.

6. The facilities created and the reduced charges would open up a new and profitable business across the Pacific which would be subject to the new line.

Such being the case, the question may be asked, is there any reason other than the opposition of the Eastern Extension Company why the establishment of this important national work should be farther delayed? It must be admitted that the Pacific cable in operation would put an end to the monopoly of the Eastern Extension Company and diminish the immense profits it enjoys. As, however, less than half the whole traffic would prove remunerative to the Pacific cable, there would remain ample business to the Company to yield a good return for the capital invested.

In the memorandum laid before the House of Commons last July by the Secretary of State for the Colonies, it is distinctly indicated that, while the Home government is willing to co-operate with Canada and the Australian Colonies, the Imperial authorities are unable to see the way to take the initiative, and that they "now await definite proposals from the Colonies interested before proceeding further in the matter." It unfortunately happens that the Australasian Colonies remain under the disadvantage of being disunited politically and they are not all equally in favour of the Pacific cable, Western Australia and South Australia being somewhat in sympathy with the Eastern Extension Company. New Zealand, New South Wales, Queensland and Victoria desire to have the cable laid on the Canadian route. As the traffic to make it a profitable undertaking would have its source chiefly in these colonies, and moreover the land lines within each colony are owned by each respective government, they have it in their power to control the trans-Pacific telegraphic traffic to the extent required to make the cable a profitable undertaking.