

" ESTIMATE

" of the business of the Pacific cable for 10 years after its completion, calculated on the basis of 1,100,000 words, for the year 1898, an average normal increase of 15 per cent. per annum thereafter :—

		Gross Earnings.	Interest and Working Expenses.	Surplus.
		£	£	£
1898 -	- - - -	110,000	90,000	20,000
1899 -	- - - -	120,500	90,000	30,500
1900 -	- - - -	131,000	90,000	41,000
1901 -	- - - -	142,500	90,000	52,500
1902 -	- - - -	155,000	90,000	65,000
1903 -	- - - -	168,500	90,000	78,500
1904 -	- - - -	183,000	90,000	93,000
1905 -	- - - -	198,500	90,000	108,500
1906 -	- - - -	215,000	90,000	125,000
1907 -	- - - -	232,500	90,000	142,500

" As we have eliminated all but the fixed charges on revenue for the first three years, an examination of the above table will show that the surplus up to the fourth year will have accumulated to 109,500£, which sum, together with the annually increasing surplus thereafter accruing, would be sufficient to meet all charges for repairs and maintenance and leave a balance to be carried to a cumulative reserve, for renewals at some future day.

" I may mention that I have submitted in outline this financial scheme to the delegates from New South Wales, Victoria, Queensland, and New Zealand, with whom I have had the advantage of frequent consultations since the Conference rose, and I have the satisfaction to state that it finds favour with each of them. That feature of the scheme by which all the uncertain charges for repairs and maintenance would be embraced in the contract with the manufacturers of the cable, would not only have a tendency to secure a cable of the very best make and character, but it would defer all charges against revenue, which revenue could not fully meet, until a date later than the payment of the last annual subsidy to the Eastern Extension Company. The Australian Governments now contributing to that subsidy could then with greater ease make up any possible shortage which may arise in connexion with the new cable. The estimate, however, shows clearly that under this scheme there is every prospect of the Pacific cable being self-sustaining from the first."

(d.)

Letter from George Johnson, Esq., Dominion Statistician.

Office of the Statistician,

Ottawa, November 29, 1894.

DEAR SIR,

I HAVE examined your statement before the Intercolonial Conference in re the Pacific cable, and have the following remarks to make :—First, respecting the growth of business; and, second, respecting the proportion the new route could hope to secure.

I.

Taking the statistics of growth I find the following :—

Year.	No. of Words transmitted.	Increase.			Tariff per Word.
		Actual.	Per Cent. for Period.	Per Cent. Yearly.	
1875 -	- 235 160	—	—	—	—
1880 -	- 353,348	118,188	50	10·0	9s. 4d.
1885 -	- 537,355	184,007	55	11·0	9s. 4d.
1890 -	- 827,278	289,923	54	10·8	9s. 4d.
1891 -	- 1,275,191	—	—	54·0	9s. 4d. and 4s.
1892 -	- 1,321,412	—	—	3·6	4s.
1893 -	- 1,401,293	—	—	6·0	4s. 9d.

The actual increase in the three years 1891–93 over 1890 was 574,015.

The number of words transmitted is taken from returns submitted to the Postal and Telegraph Conferences held in Adelaide in May 1890, in Queensland in March 1893, and in New Zealand in March 1894.