

an average cost of £184 per mile. They have, however, been laid a number of years and have depreciated in value, according to the length of time submerged. Mr. Pender estimates the life of a cable at twenty years, and the published official statements of the company furnish full information as to the length and age of the cables it controls. With this data it is an easy matter for an actuary to prepare an estimate of the value, at any given year, of the whole system of cables owned by the company. Appended hereto will be found such an estimate by which it appears that all the cables of the Eastern Extension Company are valued as follows:—

In 1887	total value	£960,195
1888	do	849,475
1889	do	738,751
1890	do	629,685

If we add the cost of the new line across the Pacific, reckoning it at the same rate per mile as the cables of the company, when first laid, we shall be enabled to form a tolerably correct idea of the new capital required to carry out the general scheme. According to the scheme submitted to the General Conference new capital would not be required for the land lines handed over by the Australian Colonies. These would be worked in common with all the cables under one management, each colony retaining an interest in revenue in proportion to the value of the lines handed over.

It may be assumed that the Eastern Extension Company will not desire to hand over their property so long as it can be worked at the old scale of profits, that is until the new line be ready for business, as in all probability much time will be spent in negotiations, preliminary arrangements and surveys, the new line can scarcely be in operation before 1890. Accordingly we may take into calculation the estimated value of the company's cables for that year as under:—

ESTIMATE of New Capital.

1.	Valuation of the cables of the Eastern Extension Company in the year 1890.....	£630,000
2.	Cost of new cables to connect Australia with Canada 7,600 miles at £184 per mile.....	1,400,000
		<u>£2,030,000</u>

The total new capital then required to carry out this comprehensive scheme designed to bring under one harmonious management all the telegraphs within the Australian Colonies and all the cables existing or projected from Australia to India and to Canada, appears to be little over two millions sterling. The sum is very much less than that spoken of at the Conference but it is impossible to impugn the estimate without calling in question the accuracy of the data which is supplied by the Eastern Telegraph Company itself.

£2,030,000 on a joint Government guarantee (Imperial and Colonial) could be raised at a very low rate of interest. At three per cent. it would come to £60,900 per annum, a sum which is almost equalled by the subsidies now being paid or available as the following table will show:—

BRITISH SUBSIDIES.

1.	Paid by New South Wales.....	£12,617
2.	do Victoria.....	14,479
3.	do South Australia.....	4,805
4.	do Western Australia.....	499
5.	do Tasmania.....	4,200
		<u>£36,600</u>