

The whole capital of the Company, to complete an independent telegraphic connection between Great Britain, Canada, New Zealand, and the Australian Colonies, may be placed at £2,500,000.

This capital may be divided into two parts—viz., £1,500,000 to bear a low rate of interest, secured for twenty-five years by Government subsidies; £1,000,000 to be share capital, apportioned between Australian, Canadian, and English capitalists.

This capital will be ample for the whole undertaking. With regard to the Restoration Sinking Fund, I have consulted some of the best experts on ocean telegraphy on the general question, and I learn that opinions are rapidly changing with respect to the life of modern cables. The first cables laid may be considered to have been to a large extent experimental, and advantage may now be taken of the very large experience gained.

It is found that in ordinary cases the breakages are apt to take place within a comparatively few years after the cables are laid, and that once properly repaired faults are not likely to recur.

The opinion is gaining ground that the life of a cable, as now made, instead of being ten or twelve years, is more likely to be double that period. As the conductors and insulating materials employed are practically indestructible, it is difficult to conceive that a cable, after lying twenty or twenty-five years at the bottom of the ocean, performing its functions satisfactorily, will not continue to be serviceable for an indefinite period. I mention these views to show that there does not appear to be any sufficient reason for burdening an enterprise at its inception by providing a large Sinking Fund for restoration at a very early date. Be that as it may, the soundness of the principles I have laid down in the memorandum cannot be gainsaid.