

The routes suggested by Sir Julius Vogel are scarcely worth further analysis; but to show how impracticable they are, even as regards tariffs, and how impossible it would be to reduce the rates by adopting either of them, I will quote the rates now charged from the terminals of these proposed cables.

A cable from Queensland would have to connect with the Eastern Extension Company's system either at Manilla or Singapore.

The present rate per word.—

	s.	d.	
Manilla to London.....	10	0	per word.
Singapore to London.....	6	5	do
Or if extended to Shanghai to connect the Great Northern lines, through Siberia, the rate from Shanghai is.....	8	4	do
From Queensland to Point de Galle—the rate from Point de Galle to London.....	4	10	do
From Queensland to Java—Batavia to London...	6	10	do
From Perth to Ceylon—Ceylon to London.....	4	10	do
Western Australia to Mauritius, thence to Natal—Tariff, Natal to London.....	8	9	do
And even if this line were extended along the west coast of Africa to Pernambuco—Pernambuco to London .....	9	0	do
St. Vincent to London.....	4	0	do

So that if these lines were constructed as proposed by Sir Julius Vogel there could be no possible reduction in rates on the Australian business.

I am sure the public will be better served by accepting the proposal for an extension of the subsidy, than by paying a syndicate a large sum annually for procuring nothing more than the Colonial Governments interested can secure by negotiating, direct with the cable companies, with the additional advantage that they (the Governments) can raise the money necessary at a less rate than the syndicates; but I do not advise this Government to undertake the working or management of any submarine cable, neither would the gentlemen offering their services take any risk or responsibility after they have raised the money, laid the cables, and taken their proportion of the profits.

This colony is now paying an annual subsidy of £12,617 for cables, which will extend over a period of  $13\frac{3}{4}$  years yet to run, and I do not consider that it is necessary or wise to increase our expenditure in that direction—the colonies are very well served; and, without very considerable additional subsidies, as I have already shown, no sweeping reduction of rates can be secured. If the non-contributing colonies, New Zealand and Queensland, are so anxious for new routes and new cables why do they not take up the offers of the syndicates themselves?

Queensland has been offered a duplicate cable from Normanton to the Roper, free of expense and without extra tariff, and South Australia, I have been informed, is willing to construct a land line to connect the Roper River with Port Darwin, so that a complete duplication of the international system would be ensured; but, for some unexplained reason, the Government of the former colony has refused this gift, which would cost the company £70,000, although their cablegrams would come to them direct, instead of going round by Adelaide and Sydney, which must cause them very great inconvenience and delay, and debars the southern colonies the advantage they would otherwise gain by having an alternative route in the event of interruptions on the overland line to Port Darwin. I am sure that this matter could not have been seriously considered by the Queensland Government, or they would have allowed the end of a cable to be landed on their shores in the Gulf of Carpentaria, for the benefit of their own commerce and that of their neighbors.

I quite concur in the Agent General's remarks, in his despatch dated 29th January, 1886, *re* the extension of the term for the payment of the subsidy, and do