

Whatever route be followed by the cable across the Pacific, the object will be to bring the group of Australian Colonies into direct telegraphic connection with Canada, and secure a means of communication between them and England independent of all lines passing through or in proximity to Europe. Messages will be conveyed by the new line at lower rates than are now exacted, and the immediate effect which must follow its establishment is manifest. The cost of telegraphing between Australia and England will be reduced, intercourse will be facilitated between the sister Colonies and Canada, and an impulse given to commercial activity.

Apart altogether from the political advantages of the new independent telegraphic connection, the gain to the general commerce of the Colonies which it would serve would justify them in co-operating with Canada in promoting the undertaking.

The undertaking may be promoted by the several Governments agreeing to give for a term of years a subsidy sufficient to induce a company to embark in it. The subsidy may be a fixed sum, contributed in equitable proportions, or it may be dependent on the business transacted by each respective Colony, and on the reduction in rates which would follow immediately on the line going into operation.

It is quite obvious that the gross foreign telegraph business of any one Colony, reckoned at the difference between the present high rates and the reduced charges, would produce a considerable aggregate sum. That sum might be taken to represent the year's savings accruing to the Colony from the establishment of the new line of telegraph, and it would obviously well repay that Colony to share the amount so saved with the Telegraph Company. Suppose the accrued saving so reckoned in any one year to be fifty thousand pounds, a moiety to the Company as a subsidy would be twenty-five thousand pounds, while the Colony itself would gain a direct pecuniary benefit from the undertaking to a like extent. The illustration as presented will explain the principle on which a subsidy may be based.