

sharing with New Zealand the loss to be made good to the Eastern Extension Telegraph Company in the event of the proposed reduction of rates on the New Zealand-Sydney cable being adopted. As the loss on the international cable traffic bore somewhat heavily on the guaranteeing colonies, the Postmaster-General of New South Wales proposed that the rate for European ordinary messages between Adelaide and London should be raised from 4s. to 4s. 9d. per word; the 9d. to be apportioned—cable companies 7d., and South Australia 2d. This extra rate, which was estimated to produce an additional £37,429 a year, was agreed to, and New Zealand's proposals accepted.

The first accounting period under the agreement with the Cable Company closed on the 30th of April last, the date on which the company's year ends. The increase of New Zealand's cable business for the four months was far beyond the most favourable estimate. A comparison of our cable traffic from January to April last, compared with the corresponding four months of 1892, is shown in the following return :—

COMPARATIVE RETURN of NEW ZEALAND'S CABLE BUSINESS for the Four Months, January to April, of 1892 and 1893.

| Year. | International. | | | Intercolonial. | | | Totals. | | |
|----------|-------------------------------|-------------|------------------------------|-------------------------------|-------------|------------------------------|-------------------------------|---------------|------------------------------|
| | Number of Messages forwarded. | Value. | Number of Messages received. | Number of Messages forwarded. | Value. | Number of Messages received. | Number of Messages forwarded. | Value. | Number of Messages received. |
| 1892 ... | 1,022 | £ 4,020 9 2 | 957 | 5,562 | £ 4,190 7 8 | 6,684 | 6,584 | £ 8,210 16 10 | 7,641 |
| 1893 ... | 2,081 | 6,980 5 2 | 1,794 | 9,926 | 2,839 18 4 | 10,129 | 12,007 | 9,820 3 6 | 11,923 |

The increase in the number of international forwarded messages was 103·62 per cent., and 73·63 per cent. in value; and received messages 87·46 per cent. The intercolonial forwarded messages increased 78·46 per cent., but decreased 32·24 per cent. in value. The number of received messages increased 51·54 per cent.

The colony's liability on the cable traffic, under the guarantee agreements, for the four months ended 30th April last, is set out in the statements which follow :—

STATEMENT of TRAFFIC over the NEW ZEALAND-SYDNEY CABLE for the Four Months, 1st January to the 30th April, 1893.

| | | |
|---|-----|--------------|
| Amount guaranteed to Cable Company for the year ... | ... | £ 26,258 0 0 |
| Guaranteed revenue for the four months ... | ... | 8,753 0 0 |
| Actual receipts by the Cable Company during the above period ... | ... | 4,359 0 0 |
| Or a loss to the Cable Company of ... | ... | £4,394 0 0 |
| Apportioned as follows :— | | |
| Cable Company, one quarter ... | ... | 1,098 10 0 |
| New Zealand, three-quarters ... | ... | 3,295 10 0 |
| | | £4,394 0 0 |
| New Zealand's three-quarters share, divided thus :— | | |
| New Zealand <i>solus</i> pays one-third (= one-quarter of total loss)... | ... | 1,098 10 0 |
| The contributing colonies, including New Zealand, two-thirds (= half of total loss) ... | ... | 2,197 0 0 |
| | | £3,295 10 0 |

The contributing colonies' proportion, divided on the basis of population, therefore is :—

| | Population (Census, April, 1891). | Amount. |
|-----------------------|-----------------------------------|------------|
| | | £ s. d. |
| Victoria ... | 1,140,405 | 734 16 9 |
| New South Wales ... | 1,132,234 | 729 11 6 |
| New Zealand ... | 620,030 | 399 10 6 |
| South Australia ... | 320,431 | 206 9 6 |
| Tasmania ... | 146,667 | 94 10 2 |
| Western Australia ... | 49,782 | 32 1 7 |
| | £3,409,549 | £2,197 0 0 |