

And in reply, the following message has been received from the Chairman of the Company:—

“Desiring to meet Colonies’ wishes as far as possible, and believing commercial outlook improving, and consequently traffic likely increase, I believe I could induce Board and associated administrations to accept Conference proposal, provided arrangements be made for fixed period of at least five years, so as to run concurrently with subsidy agreement.”

The Committee advises that the proviso be agreed to.

The Committee further reports that the Representatives of the several Colonies contributing to the Guarantee have agreed to share with Victoria, as regards the Tasmanian Cable, the guarantee of that Colony in the usual proportion (population basis), to pay the first £1000 of the loss in any one year, and half of any additional loss beyond the £1000: this Guarantee being in addition to the subsidy of £4200 a year at present contributed by the Colonies of Victoria, New South Wales, Tasmania, South Australia, and West Australia.

A careful estimate of the financial effect of the new arrangement has been prepared by Sir Charles Todd, and is appended.

The following are the estimated payments by Colonies under present and proposed agreements, taking the traffic during year ending April 30, 1895:—

Payments under present Agreements.

	VICT.	N.S.W	N.Z.	S.A.	TAS.	W.A.	TOTAL.
Cable Company	2508	2491	1364	705	323	109	7500
South Australia	669	664	364	188	86	29	2000
Tasmania	1717	1705	482	221	75		4200
	790	..	..	..	..		790
New Zealand	2497	2479	1357	702	321	109	7465
			3733	..	..		3733
	8181	7339	6818	2077	951	322	25,688

Proposed Arrangement.

PORT DARWIN GUARANTEE—				£	
Amount to be guaranteed	..	..	..	227,000	
Estimated Receipts.	..	..	..	222,000	
					5000
NEW ZEALAND GUARANTEE—					
Amount to be guaranteed	..	..	..	20,000	
Estimated Receipts.	..	..	..	11,324	
					8676
of which					
New Zealand pays one-third	..	..	..	2892	
New Zealand and other Colonies two-thirds	..	..	..	5784	

Then, Estimated Contributions to several Guarantees will be as follows:—

	VICT	N.S.W	N.Z.	S.A.	TAS.	W.A.	TOTAL.
Eastern Extension Company ...	1672	1660	907	471	215	75	5000
South Australia	669	665	361	189	86	30	2000
Tasmania	1717	1705	482	221	75		4200
	260	258	154	76	35	7	790
New Zealand Cable	1934	1920	1053	543	248	86	8676
			2892				
	6252	6208	5367	1761	805	273	20,666
Present payments. .. .	8181	7339	6818	2077	951	322	25,688
Saving	1929	1131	1451	316	146	49	5022