

and the charge that would have to be made for conversation would be so large as to be almost prohibitory. The population of the Colonies is not sufficiently developed to enable an expensive work of this nature to be carried out so as to be remunerative at a reasonable charge to the public. The line from Sydney to Brisbane alone would cost £41,750, or, presuming that the existing poles could be used (which is impracticable), the estimate might be reduced to £24,250. Even making no allowance for maintenance of the line or for working expenses, the interest and sinking fund on a fifteen years' purchase is 10 per cent. of the capital cost (really £9 12s. 8d. per cent.). Therefore, for a line to be justifiable, a revenue of £4175 will require to be guaranteed on the Brisbane and Sydney line alone. It must also be borne in mind that telephonic communication between the capital cities of Australia would materially interfere with the telegraph revenue. We are therefore not prepared to recommend Mr. Renard's proposal for favourable consideration."

Mr. Renard subsequently wrote, stating that the line from Sydney to Brisbane would not cost more than one-half the sum named in the above-quoted Report, and that, taking the largest diameter of wire for the through line from Adelaide to Brisbane (1800 miles), the total cost would not exceed £100,000, including new poles.

In June, 1897, the Sydney Chamber of Commerce forwarded to the New South Wales Postal Department a copy of the following Resolution, adopted at a Conference of Chambers of Commerce of Australasia held at Sydney, in May, 1897, viz. :—

*"Long distance Telephony.*—That it is desirable that telephonic communication be established between the various Capitals and leading Towns of Australia as early as possible."

In forwarding this Resolution, a hope was expressed that, as early as possible, enquiry would be made into the prospects of such an undertaking being a commercial success.

We are still of the opinion that there is not sufficient justification at the present time for the adoption of any scheme of Trunk Telephone Lines between the capital cities of the Australian Colonies. The reasons for our arriving at this decision are as follow :—

The present lines of poles are not able to carry the telephone wires in some cases, and, therefore, new poles would require to be erected in these places. The cost of construction would be still further increased by the necessity for using very heavy copper wires, and of re-arranging the present wires so as to avoid interference.

Experience indicates that the use of Telephone Trunk Lines would interfere with the Telegraphic Revenue. The extent of this interference depends upon the amount and nature of the business and tariffs.

The centres of Australia are far apart and comparatively sparsely populated. We are, therefore, of the opinion that the circumstances of the Colony, its population, &c., do not justify us in recommending the adoption of any comprehensive scheme at present.

We are, however, of opinion that the steps at present being taken by the various Colonies are in a direction which will eventually lead to the desired end. In all the principal Colonies trunk lines of moderate length are being introduced. Those in New South Wales and Queensland lead in the direction of the respective borders. As experience gained on them is found to justify it, the various Colonies will doubtless still further extend these lines until at last they meet.

Meantime, we recommend that the different Colonies be desired to furnish a statement of the Telephone Trunk Lines in use or contemplated, together with particulars of the cost, effect on revenue, and any other information of interest on the subject.

H. V. BAYLY, Chairman, Secretary Post and Telegraph Department, Tasmania.

S. H. LAMBTON, Deputy Postmaster-General, New South Wales.

F. L. OUTTRIM, Deputy Postmaster-General, Victoria.

CHARLES TODD, K.C.M.G., Postmaster-General, South Australia.

JOHN M'DONNELL, Under Secretary Post and Telegraph Department, Queensland.