

184. *By the Chairman.*—Will you explain that a little more fully?—Yes, the only reason I recommend the North-West Cape route is because it is less expensive.

185. What do you mean by the portion of the land line?—The land line from Port Darwin to the Roper, for instance, and the cable across the Gulf of Carpentaria, that is the only way you can get a perfect duplication *viâ* Queensland. There are two ways of perfect duplication—one, across by the North-West Cape, and the other by Normantown.

186. *By Mr. Burns.*—You do not favor the idea of any duplication of the existing line from Port Darwin to Adelaide?—I think it would be too expensive.

187. *By Mr. Mein.*—A duplication from Port Darwin to Normantown would have this advantage over the duplication *viâ* the North-West Cape, that when only one cable is in operation you have two land lines to fall back upon?—So you would *viâ* North-West Cape.

188. No, when only one cable is in operation you have two land lines to fall back upon?—Yes; if the line is extended from the Roper to Normantown.

189. When you talk about the cheapness of the North-West Cape route you do not take into consideration the cost of messages over the long land line to Adelaide?—That must rest upon arrangements with Western Australia. I understand they are prepared to extend their line to Exmouth Gulf, without calling for contributions from the other colonies.

190. In addition to the cost of construction there is the cost of messages?—Any additional cost would be by the Normantown line, as it is necessary to have a cable 400 miles in length across the Gulf of Carpentaria, and a land line 200 miles in length to join the present Adelaide overland line.

191. You assume that the cost of a message over that route would be equal to, if not greater than, the cost of a message to North-West Cape?—Decidedly greater.

192. The cost of transmitting a message?—Yes, decidedly the cost of the additional length of cable would be greater.

193. What is the cost of a message now from North-West Cape to Adelaide?—A penny in each colony, from Champion Bay, which is the most northerly station in Western Australia.

194. Do not you thing the liability to interruption from the North-West Cape overland to Adelaide would be greater than the interruption upon the line from Port Darwin to the Roper?—Yes, it would be; it is a coast line.

195. *By the Chairman.*—Is there anything you wish to add, or any information you could supply?—Nothing strikes me at present.

196. Looking to the cable between Port Darwin and Singapore, are you of opinion that the interruptions have been more frequent than in ordinary cables of similar length in other parts of the world?—They have certainly, but chiefly in consequence of an insect or worm which destroys the cable upon that particular section.

197. Are you acquainted with the proposal to prevent that in the new cable?—Yes, I saw some experiments being made in London, which I believe will have the desired effect.

198. Are you of opinion that they will be successful?—Quite; it is a metal sheathing over the gutta-percha between that and the protecting wires.

199. Do the interruptions by means of the insect on the existing cable increase in number as it gets older?—Yes, it is giving very much trouble—in fact, the last fault gave considerable trouble.

200. I presume there were partial interruptions that the public never knew of, bad working, and so on?—Yes, and delays to messages in consequence.

201. As a matter of fact, if a new cable defended against that insect were once laid, it would be cheaper to abandon the old cable altogether than repair it?—I think the company ought to be bound to keep both cables going if they get a subsidy.

202. Do you think, as a matter of fact, it would be kept going?—Yes; and I think they ought to be bound to lay another protected cable, if the present one cannot be kept in order.

203. Did you notice that in the proposal to the colonies to pay a subsidy of £32,400 there is no period of limitation?—The usual period in transactions of that kind is thirty years for cable subsidies.

204. Have there been any transactions of that kind in reference to cables?—Yes, nearly all the proposals submitted to these colonies have been for thirty years.

205. Has there not also been some proposal that the subsidy should decrease in proportion to the increase in the regular business?—No, the subsidy is generally paid during the time it is arranged for.

206. A fixed subsidy, not depending at all upon the increase of messages to the colony?—Yes.

207. Would not that be a fair principle?—I think it would, if it could be so arranged.

208. The object of the subsidy being merely to increase the earnings of the company; and if those earnings be increased there is no reason for it to continue?—There is another matter; a cable will only last a certain number of years.

209. How long?—The average life of a cable is about fifteen years; and there is another thing to be considered, that the company must provide a sinking fund to replace the cables, and whether it be wise to starve them so much so that they could not give you a proper cable when this is worn out, or whether some arrangement ought not to be made for a sinking fund to cover this. According to my calculations I think they are simply asking you the bare interest upon the money necessary to construct the line.

210. Which is equivalent to finding all the money that the cable is laid for?—It is, if the Governments raise the money, they might get it for considerably less, perhaps save several thousands a year.

211. *By Mr. Burns.*—Do you think the Governments ought to guarantee the line, so as to save the interest?—I think so, £12,000 or £14,000 a year could then be saved.

212. Supposing the Governments guaranteed the line, what would be the estimate of the reduction of the cost of the subsidy to the company?—Two per cent., about £12,000 or £14,000.

213. The reduction?—Yes.

214. *By Sir James Wilson.*—In making that estimate have you taken into consideration the maintenance of a steam-boat with all its appliances?—No, this is for the cable that is maintenance.

215. *By Mr. Burns.*—If we follow that plan the colonies would only have to pay about £20,000 a year for the cable?—Yes; that is if the Governments undertook it themselves; but I do not think they should take it independently of the company, because they have a staff and a ship, and they can work it a great deal cheaper than the Government can.