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the use of the line between Adelaide and Port Darwin. Bearing this necessity in mind, the following are the routes from which selection would probably have to be made:-

1. New Zealand to San Francisco, by way of Honolulu.

2. Western Australia to Galle.

3. Western Australia (North-West Cape) to Singapore, by way of Java.

4. Normanton to Port Darwin, partly by water partly by land, and from Port Darwin to Singapore, by cable throughout, touching at Java.

5. Normanton or Cape York to Singapore, by cable throughout, touching at Java, but not at Port

Enquiries which have recently been made by Sir Julius Vogel point to the first route being almost impracticable on account of the great depth of the water which would have to be passed through. a line were laid, it is unlikely it ever could be repaired, as the depth of water is greater than that from which a cable has ever yet been raised. The depth at one point between San Francisco and Honolulu is 3,250 fathoms, and at a point between Honolulu and Fiji, 3,448 fathoms. The deepest line yet laid is supposed to be 2,760 fathoms, between Brest and St. Pierre, whilst the depth from which a cable has been picked up is between 2,400 and 2,500 fathoms. At some time or other a cable will probably be constructed from the United States to Japan, but it would have to go far north to avoid the depth of water of a direct or more southerly route. The project of carrying a line from San Francisco to Honolulu, and thence to radiate to Japan and China and to Australia, does not appear to be feasible. Number two route would be outside of the company's system altogether. Having already said that we think the company should be liberally dealt with, we consider that if the Governments buy the present line, it would be better policy to make the duplicate line touch at Java, for the business with that place is supposed to be considerable. Besides the Galle line would involve the maintenance of a separate steamer. Another objection to the Western Australia route is, that the land line may not easily be maintained, and, at any rate, the use of it will not be so cheap as that for which the Queensland Government would be willing to give the use of its line. The last objection only can be urged to the third route. It would be cheaper than any other, but it would not satisfy Queensland, and we doubt if the land line could be made as safe and trustworthy apart from the tariff to be charged on it as the Queensland land line. As to routes 4 and 5, we have already said we think the route through Queensland by far the most secure, whilst it is probable that unless the Queensland route were adopted that colony would stand aloof. The adoption of the Queensland route would mean the reduction of the tariff through Australia. The Queensland Government charge for messages to Normanton only 1d. or 2d. a word, whilst the South Australian Government receive out of 10s. 8d. (the through charge to Adelaide) the large proportion of 1s. 5d. a word. We do not say the charge is unreasonable (considering the expense and risk South Australia is subject to), but clearly it is altogether inconsistent with cheap telegraphy.

Routes four and five are the two ways by which communication can be made with Queensland. One by connection with Port Darwin, partly by cable and partly by land line, with a second cable from Port Darwin to Singapore, avoiding only the Java land line; the other by cable from Normanton or Cape York to Java, and thence to Singapore. The cost of route 4 would be about £650,000, whilst that of route 5, from Normanton, has been variously estimated at from £750,000 to £1,000,000. We are not aware what would be the saving of cable cost and the additional expense of land line of making the starting point from Cape York instead of from Normanton. We have made route 5 to start either from Normanton or Cape York; if the latter be found preferable, it might be adopted.

Paying, as the Governments would, in cash, they should we think be able to get route 5 carried out for £700,000. As to whether route 5 would be more desirable than route 4, we prefer not expressing an opinion. We think one or the other of these routes the best, and the choice between them should be carefully considered. We are of opinion, however, that, if the more costly route is chosen, Queensland should pay the difference between it and the less expensive one. As we have said, the Queensland Government now charge 1d. or 2d. a word to Normanton; but, when it was contemplated by the Queensland Government to join New South Wales and New Zealand in subsidizing a company to construct a line from Normanton to Singapore, that Government proposed that the charge should be seven shillings for twenty words, or a little over 4d. a word; but then Queensland was to become liable for a considerable subsidy. Under the arrangement we propose, Queensland's contribution will be so much less that she can well afford

to relinquish the fractional charge in excess of 4d. a word, which she formerly proposed.

We are of opinion that an annual sum by way of subsidy should be paid to the South Australian Government for reducing the rate to that which it is agreed shall be charged through Queensland. With an annual subsidy of £10,000, South Australia should see its way to adopt a tariff of 4d. a word. It could be arranged either to divide all through land receipts between the two colonies of South Australia and Queensland, or else that each should keep its own, and that New Zealand, New South Wales, and Queensland should use the Queensland route; the other colonies, the South Australian route, when both lines were open; and of course all use either route open in case of disaster

to the other.

The expenditure under our proposal may be approximately estimated as follows:—

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Port Darwin to Singapore	•••		•••	•••	£600,000
Sydney to New Zealand	•••	•••	•••	•••	290,000
The existing Tasmanian line	•••		•••	•••	70,000
The line proposed from Tasmania to New Zealand				•••	200,000
The line proposed from Normanton to Singapore				•••	650,000
					£1,810,000
Four per cent. on which would be		•••		•••	£72,400
Add subsidy to South Australia	•••		•••	•••	10,000
Say £82,400 annually.					£82,400