request for land-lines from London to Cornwall. The clause intended to shut out competition also recurs, but, as regards the line to Australia, Lord Tweeddale writes:—

"This proposal, if approved, would leave for after arrangement the continuation of the cables from South Africa to West Australia, and, in the meantime, would provide the best alternative means of strengthening cable-communication with our African colonies by a cable landing throughout on British territory only, as well as placing the important islands of Ascension and St. Helena in telegraphic communication with Great Britain.

"The triplication of cable-communication with South Africa has been decided upon, not on account of any abnormal development of traffic, but because it has always been the policy of these companies to insure the maintenance of communication between all points in their system, more especially between Great Britain and her important colonies; and, although it is improbable that with two lines of communication between South Africa and Great Britain the telegraph-service between these places would ever be totally interrupted for a long period, yet it is considered that with three lines of communication the fear of total interruption would be entirely removed."

The extension from the Cape to Australia is thus shelved for a time. The admission that for satisfactory telegraph-service a third line is requisite, quite justifies the opinion expressed in a letter of the 22nd March last from the Postmaster-General of Cape Colony, who says, "I would wish to remark that, in my opinion, no subsidy should be given by the Cape in connection with the *revised* scheme, as the traffic receipts at the present time appear to warrant the laying of an additional cable on commercial grounds alone, without the aid of a subsidy from the Cape, or Natal, or any State or colony in South Africa. At all events, if the Eastern Company does not lay a third cable, it will be worth while for some other company to do so, and this would lead to competition in rates, which would undoubtedly be beneficial to South Africa." The opinion thus expressed by Mr. French in this letter is justified by the information given in his note attached to a telegram from the Agent-General of the Cape to Sir Gordon Sprigg, under date 9th March, from which we quote: "I have not as yet been able to obtain reliable information as to the total value of the South African cable traffic during the year 1897, but, although it will not probably (owing to the depression in the Transvaal) reach the very high total of £300,000 attained in 1896, I have little doubt that it will exceed considerably the limit of £180,000 fixed by the late Sir John Pender as a paying revenue for the existing cables." Mr. French, in his note, also protests against giving a practical monopoly to the Eastern Company, by which they would be in a position to refuse that reduction of the present rates, which will be expected from the company in the near future.

From the evidence given above, and from the notoriously unsatisfactory condition of the lines to the Cape, it seems clear that the Eastern and South African Company, and its friends, have a duty incumbent on them, not only to provide a third cable, but also to provide it for their own safety, free of subsidy or conditions. The gains from the cable traffic, as pointed out by Mr. French, are more than sufficient to warrant this, and as the only possible alternative route for such a cable is *viâ* Ascension and St. Helena, it is monstrous that these companies should call on Her Majesty's Government for assistance in carrying out a work which their own commercial interests absolutely require.

That these companies are not justified in the claim which they make for State assistance, the following figures will prove up to the hilt. Apart from the revenue derived from traffic, and to which Mr. French makes allusion, the Eastern and South African Company already receives, almost entirely from British sources, subsidies amounting to £88,000 per annum. The African Direct, and West African Telegraph Companies, in which the allied companies are large shareholders, draw from the British and various other Governments annual subsidies amounting to about £65,000. Thus, altogether, the total at present paid in subsidies to the African cable ring amounts to more than £150,000 yearly; and they have already received in this way, quite apart from their traffic earnings, a sum exceeding £2,000,000.

We do not include here the Eastern Extension Company, which we propose to deal with in a future article, but will only remark that this partner in the scheme we have here exposed has, during its existence, drawn well over £1,000,000 in subsidies, besides having a reserve fund of more than £800,000 in hand.

That the proposals made by these allied companies were even thought worthy of consideration by a departmental Committee, appointed by the Treasury, proves nothing beyond the influence which they possess in official circles. We are glad to notice that in the draft instructions to this Committee the following occurs: "The Committee will understand that in no case can an unqualified guarantee against subsidised competition be given."

After the collapse of that part of the scheme which entailed a prolongation of the cable from the Cape to Australia, the Agent-General, in a telegram to the Premier of Cape Colony, asks: "If all-British cable stops at Cape, and proceeds no further, what contribution or subsidy are you prepared to offer? Committee awaits reply." The reply of Sir Gordon Sprigg, dated 15th May last, is perhaps the best which could have been made to the impudent demands of these "sturdy beggars," and runs as follows: "In letter, 29th December, company offered to lay cable without South African subsidy. As present traffic warrants third cable on basis of revenue laid down by Sir John Pender, feel sure South African contributories to subsidy would not entertain question of increase without satisfactory guarantee regarding reduced rates. As monopolists, company must make concessions to meet legitimate public requirements."

II. We have laid before our readers as concisely as may be the story of the futile attempts made by the allied companies (the Eastern, Eastern Extension, and Eastern and South African Telegraph Companies) to confirm their monopolies, and to relieve themselves from the impending danger of competition—at the expense of the nation; we have shown how this very prosperous clique has failed in this endeavour, in spite of the sympathetic interest which they have generally