

said average receipts of the three previous consecutive calendar years shall have amounted to or exceeded the said sum of £330,000, the rates for such traffic (except as aforesaid) by the said routes shall be reduced to two shillings and sixpence per word for ordinary telegrams, two shillings per word for Government telegrams, and one shilling per word for Press telegrams, which reduced rates and their apportionment are specified in the schedule hereto, Table D: and such rates respectively shall be considered in the respective cases in this clause defined to be the maximum rates for the time being for the purposes of this agreement.

6. Nothing herein or in the said schedule contained shall prevent the Extension Company from varying the apportionment of any rate, provided the total rate is not increased and the proportion payable to any of the contracting colonies is not reduced beyond the limits contained in the said schedule.

7. If and whenever the said rates are reduced in pursuance of clause 5, the terminal charges payable to the respective Governments of the contracting colonies in respect of telegrams transmitted at such reduced rates shall be reduced according to the scale set forth in the said schedule hereto.

8. After any reduction in the rates for Australasian traffic and in the terminals shall have been made under clauses 5 and 7 hereof, or by the Extension Company or Cis-Indian Administrations of their own motion, the said rates and terminals shall not again be raised, except as provided in clause 9.

9. From and after the opening for traffic of the Pacific or any other competing cable nothing in this agreement contained shall prejudice the right of the Extension Company and the Cis-Indian Administrations to at any time reduce the rates for the Australasian traffic, including Government and Press telegrams, and at pleasure to raise them subject to the maximum limits in each case fixed by this agreement.

10. In the event of the full rates for the Australasian traffic being at any time reduced by the Extension Company and the Cis-Indian Administrations, the charge per word for Government telegrams shall not exceed the full out-payments for the time being charged by Governments and Administrations, and three-fourths of the rate retained by the Extension Company and the Cis-Indian Administrations for their own use and benefit.

11. The Extension Company shall, within three months from the expiration of the year 1900, and within a like period from the expiration of each subsequent calendar year, send to the Government of each of the contracting colonies an account showing the receipts of the Extension Company and the Cis-Indian Administrations from Australasian traffic during such year after deducting out-payments charged by other Governments and Administrations, and such account shall, when required by the contracting colonies or any of them, be verified by the production in London of the account-books of the Extension Company kept in respect of or relating in any way whatever to the Australasian traffic, and when so required by a statutory declaration made by the manager, secretary, traffic accountant, or other duly authorised officer of the Extension Company.

12. The Extension Company shall, with all convenient speed after the necessary landing-rights have been obtained, procure to be manufactured and laid between Durban, in the Colony of Natal, and Australia a submarine telegraph cable (herein called "the new cable"), in the five sections following, that is to say: (1) Durban to Mauritius; (2) Mauritius to Rodriguez; (3) Rodriguez to Cocos; (4) Cocos to Fremantle, in Western Australia; and (5) Fremantle to Glenelg, in South Australia. The Extension Company shall also lay, or procure to be laid, in connection with the new cable two subterranean land-lines, one from Fremantle to Perth, in Western Australia, and the other from Glenelg to Adelaide, in South Australia. The Extension Company shall also establish and supply, or procure to be established and supplied, all stations offices and apparatus necessary for the proper working of the new cable and the said subterranean land-lines.

13. The contracting colonies shall have the right to use the cable from Glenelg to Fremantle at the rate of fivepence per word, such right only to arise in the event of the land-lines not being in working-order, it being understood that precedence shall always be given to international traffic. The cable between Fremantle and Glenelg shall not, as long as the land-lines between the colonies of Western Australia and South Australia shall be in working-order, be used to transmit inter-colonial telegrams not forming part of the international traffic.

14. The respective Governments of South Australia and Western Australia, subject to satisfactory arrangements approved by those Governments respectively, shall, without charge, give to or procure for the Extension Company—(1) Suitable sites for stations and offices at Glenelg and Adelaide, and at Fremantle and Perth respectively; and (2) all such lands, landing-rights, licenses, and other rights and facilities as may be reasonably required by the Extension Company, for the purpose of laying and working the new cable and the said subterranean land-lines, or for the purpose of duplicating the new cable or the said land-lines or laying such further cables or land-lines as may be required for the efficient maintenance of the telegraph service between Europe and Australasia.

15. The Government of South Australia shall, so soon as the next following clause comes into force, provide and maintain in efficient working-order, at its own expense, for the transmission of the Australasian traffic, a special wire on the Government posts between Adelaide and the Victorian frontier, and between Adelaide and the New South Wales frontier. The said special wires shall be respectively connected with the offices of the Extension Company in Adelaide, and shall always be at the service of and worked by the staff of the Extension Company. The charges therefor to be paid by the Extension Company to South Australia shall be the terminal rates mentioned in the said schedule, and shall be reduced under that schedule as occasion shall arise, on reduction by the Extension Company of their cable charges.

16. The Extension Company shall, on and after the opening for traffic of the Pacific cable or any other competing cable, be entitled to open local offices, and to collect direct from and to deliver direct to the public in the Cities of Perth, Adelaide, and Hobart any telegrams forming part of the