

With Two Cables.

Revenue—900,000 words at 1s. 6d.	...	...	£	s.	d.
Expenditure—Two cables	...	...	306,000	0	0
Loss, first year, at $2\frac{1}{2}$ per cent. interest on capital	...	...	238,500	0	0
Or, if interest $2\frac{3}{4}$ per cent.	...	...	248,500	0	0

Australia would bear one-third the loss.

With a through rate of 3s. 6d., or Pacific charge of 2s. per word, the figures would be :—

One Cable.

Revenue	...	...	£	s.	d.
Expenditure (taking interest at $2\frac{1}{2}$ per cent.)	...	...	175,500	0	0
Loss first year	...	...	85,500	0	0
Or interest at $2\frac{3}{4}$ per cent.	...	...	90,500	0	0

Two Cables.

Revenue	...	...	£	s.	d.
Expenditure ($2\frac{1}{2}$ per cent. interest)	...	...	306,000	0	0
Loss first year	...	...	216,000	0	0
Or at $2\frac{3}{4}$ per cent.	...	...	226,000	0	0

have before said, it would not be safe to calculate on a greater average rate of increase of traffic than 5 per cent. per annum. Assuming this to be accepted, then with two cables, and taking the interest on capital at $2\frac{1}{2}$ per cent., and the Pacific rate at 2s. a word, the loss during the first ten years would be approximately as follows :—

						Loss.	£	s.	d.
First year	...	...	...	...	...	216,000	0	0	
Second year	...	...	...	...	...	211,500	0	0	
Third year	...	...	...	...	...	206,775	0	0	
Fourth year	...	...	...	...	...	201,814	0	0	
Fifth year	...	...	...	...	...	196,604	0	0	
Sixth year	...	...	...	...	...	191,135	0	0	
Seventh year	...	...	...	...	...	185,392	0	0	
Eighth year	...	...	...	...	...	179,361	0	0	
Ninth year	...	...	...	...	...	173,029	0	0	
Tenth year	...	...	...	...	...	166,380	0	0	
Total	...	...	...	...	...	£1,927,990	0	0	

or an accumulated loss in ten years of £1,927,990, without counting interest.

With one cable the loss would be—

						£	s.	d.
First year	...	...	...	...	...	85,500	0	0
Second year	...	...	...	...	...	81,000	0	0
Third year	...	...	...	...	...	76,275	0	0
Fourth year	...	...	...	...	...	71,314	0	0
Fifth year	...	...	...	...	...	66,104	0	0
Sixth year	...	...	...	...	...	60,635	0	0
Seventh year	...	...	...	...	...	54,892	0	0
Eighth year	...	...	...	...	...	48,861	0	0
Ninth year	...	...	...	...	...	42,529	0	0
Tenth year	...	...	...	...	...	35,880	0	0

Loss in ten years ... £622,990 0 0

If we allow an increase of 7 per cent. per annum, which, I fear, is not likely to be realised, the loss would still be very serious, as shown in the following table :—

Seven per Cent. Increase.			Expenditure.						Expenditure.		
			£	s.	d.				£	s.	d.
			175,500	0	0				306,000	0	0
			Revenue.			Loss with One Cable.			Loss with Two Cables.		
			£	s.	d.	£	s.	d.	£	s.	d.
First year	...	900,000 words at 2s.	90,000	0	0	85,500	0	0	216,000	0	0
Second year	...	963,000	96,300	0	0	79,200	0	0	209,700	0	0
Third year	...	1,030,410	103,041	0	0	72,459	0	0	202,959	0	0
Fourth year	...	1,102,539	110,254	0	0	65,246	0	0	195,746	0	0
Fifth year	...	1,179,716	117,972	0	0	57,528	0	0	188,028	0	0
Sixth year	...	1,262,297	126,230	0	0	49,270	0	0	179,770	0	0
Seventh year	...	1,350,657	135,065	0	0	40,435	0	0	170,935	0	0
Eighth year	...	1,445,202	144,520	0	0	30,980	0	0	161,480	0	0
Ninth year	...	1,546,366	154,636	0	0	20,864	0	0	151,364	0	0
Tenth year	...	1,654,611	165,461	0	0	10,039	0	0	140,539	0	0

If we take the Committee's somewhat lower estimate of the yearly expenditure, and put the cost of the cable at £2,000,000, which under such a specification as would satisfy the Imperial