

This is, of course, merely a suggestion, but it proceeds upon the supposition that the number of Messages sent and received will be in analogy to the number of Letters sent and received.

The class of Cable on which the estimates have been founded, and the prices, *mutatis mutandis*, are the same as have been approved of in the case of the Indian Telegraph, by Her Majesty's and the Indian Governments.

The Australian Line will be completed in two years at furthest, and will be laid at the risk of the Contractors.

Whether the Line shall be held and worked by the several Colonial Governments as their joint property, or whether a private Company shall hold and work it, are points which the promoters desire to leave entirely to the decision of the Colonies.

If the Line is to belong to the Colonial Governments, the necessary capital will have to be raised, either out of Surplus revenue, or as a public debt by means of bonds.

If a Company is to be formed, a guarantee of 6 per cent. on the capital must be given. In either case there will be a liability, to be apportioned among the Colonies.

I have as yet seen none of the Colonial Authorities, having only arrived to-day from England, and I am ignorant of their views, but I will ask you to communicate on this subject with the other Governors.

I hope to visit New Zealand before returning to England, but from Melbourne I proceed to Sydney.

His Excellency  
Governor Gore Browne, C.B.,  
&c., &c., &c.

I have, &c.,  
(Signed) F. GISBORNE,

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LORD CARNARVON, TO GOVERNOR GORE BROWNE, C.B.

Downing Street,  
2nd May, 1859.

SIR,—

(Enclosure).

With reference to my predecessor's Circular Despatch of the 29th May, and to mine of the 27th July last, I have to inform you that Mr F. Gisborne, brother of the gentleman whose project of a Telegraphic Communication, by way of India, between this Country and Australia, was then announced to you, is now on his way to New South Wales, and contemplates visiting several of the Australian Colonies.

Mr Gisborne has been represented to me as a gentleman of character and intelligence, and of great experience in all matters of the above description; but I must leave him to explain for himself the object which he has in view, for although I consider that the execution of such a scheme would confer the greatest benefit on the Australian Colonies and the Empire, I cannot undertake to express an opinion on the merits of the particular plans for accomplishing the object.

I take this opportunity of calling your attention, in connection with this subject, to two principles which, after considerable recent discussion, have been at length acquiesced in and adopted generally, and on which Her Majesty's Government are prepared to act in cases of a character similar to the present—First, to grant no exclusive privileges; and, Secondly, to provide that any guarantees of interest should only take effect after the Lines are in working order, and for so long only as they continue to remain in that condition.

I have &c.,  
(Signed) CARNARVON,  
In the absence of Sir E. B. Lytton.

Governor Gore Browne, C.B.,  
&c., &c., &c.

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UNDER-SECRETARY, NEW ZEALAND, TO MR. F. GISBORNE.

New Zealand, Colonial Secretary's Office,  
Auckland, 26th Dec., 1859.

SIR,—

I have the honor, by the direction of Mr. Stafford, to acknowledge the receipt of your Letter to His Excellency the Governor, of the 6th July last, with its enclosures, on the subject of the proposed Telegraphic Communication between England and Australia *via* India.

In reply, I am to inform you that the Government of New Zealand regards the projected establishment of such Communication favourably, and would be prepared to propose a contribution on the part of that Colony to such a work, it being borne in mind that the amount of liability to devolve on that account on New Zealand would be governed by the circumstance whether or not the Telegraphic Line were carried to its Coasts. In the latter case, although the Colony would undoubtedly benefit if the Line terminated at Sydney, its contribution could not be so large as it might be fairly required to be in the former case.