

FURTHER PAPERS RELATIVE TO THE

contract with Mr. W. T. Henley, Submarine Telegraph Cable Manufacturer and Electrical Engineer, to construct a cable for the above service.

The construction of the cable is to be strictly in accordance with the specification prepared by the Acting Engineer for the Submarine Telegraph Company, copy of which was transmitted on 27th ultimo.

I was given to understand the contract would be ready for signature, and to send to you by this mail, but in this I have been disappointed, as up to the time of writing it has not been received, it therefore necessitates my requesting your attention to the following terms and conditions to which I have agreed:—

1. The cable is to be forty-six nautical miles in length; it is to contain three conductors, and is to be constructed in every respect according to specification.
2. The cost of it is to be four hundred and forty-eight pounds per nautical mile, or twenty thousand six hundred and eight pounds free on board of ship.
3. The contractor undertakes to submerge and maintain it against all risks and in good working order for twelve months from the date on which it is laid and in work; excepting only the risk of damage done to it by vessels. It is, however, in the power of Government to accept the proposal submitted by him, as hereafter stated, and to cover this risk also.
4. For submerging and maintaining cable in good order and electrical condition for the twelve months; for providing, paying out, and packing up machinery, tank, in which to submerge cable while on board of ship, timber, buoys, &c., &c. (all of which become the property of Government), and for sending out and paying all the expenses (during the period of guarantee) of an efficient staff, the contractor is to be paid the sum of five thousand nine hundred pounds. Should Mr. Henley be required to guarantee and maintain the cable for twelve months against damage done to it by ships, a further sum of two thousand pounds is to be paid to him.
5. The Government on their part are to provide a suitable sailing vessel, to be approved by Mr. Henley, for the conveyance of the cable; one or two steamers to tow her across the Straits, and to assist at laying; to pay the freight, hire of steamers, and marine insurance on cable, &c.
6. The contractor engages to have the cable constructed and shipped on or before the 20th February next, or to pay a penalty of £30 per diem for each day beyond that date.
7. The cost of cable, machinery, guarantee, &c., being twenty-six thousand five hundred and eight pounds, it is agreed the payments are to be made as following:—
 - (1.) Say thirteen thousand two hundred and fifty-four pounds, or the moiety upon the shipment of the cable (or if required during progress of work), and production of engineer's certificate.
 - (2.) Say six thousand six hundred and twenty-seven pounds, or one-fourth, after the cable has been completed, and in good working order for three months.
 - (3.) Say six thousand six hundred and twenty-seven pounds, or remaining fourth, on completion of the twelve month's guarantee, and at the same time the extra £2,000, if agreed to.
 Both payments to be made in London on presentation of Government certificate.
8. It is provided that the Government are to have no responsibility, should the sailing vessel approved by Mr. Henley be afterwards found unsuitable or defective, nor to be liable for any default or neglect of the officers or crew, nor of any officers, pilots, or men whom the Government may place at the disposal of the contractor to assist in laying the cable.

As I considered there would be little risk of damage to the cable by vessels anchoring, notwithstanding that the contractor attached much importance to the point, I have deemed it advisable to afford the Government the option of assuming this risk themselves.

Considerable difficulty has been experienced in procuring a suitable vessel, upon moderate terms, for the conveyance of the cable, but I am glad to report that one has been secured.

In the first instance, negotiations were opened with the Panama, New Zealand, and Australian Royal Mail Company to have it conveyed by one of their steamers proceeding to Australia and Wellington, but I regret to say without success. Three vessels were then submitted to Mr. Henley, and the first-class clipper ship "Weymouth," of 830 tons register, noted for her rapid passages, was selected.

An engagement has therefore been made with Messrs. Shaw, Savill and Co., for the conveyance of the cable by the ship "Weymouth" for the sum of two thousand five hundred pounds.

One-half of this amount being payable by Government on the arrival of the ship with the cable on board at Wellington, and the remainder on the cable being successfully laid.

The payment of that portion of the freight which is made contingent on the successful laying of the cable was so stipulated that the Government might securely rely upon all possible aid from the officers and crew of the vessel on behalf of Messrs. Shaw, Savill and Co.

To this latter stipulation I attached so great importance that I determined to insist upon it, notwithstanding much opposition.

The Government will appreciate the value of this clause when they peruse the agreement entered into with Messrs. Shaw, Savill and Co., which will be forwarded, together with Mr. Henley's contract and all other papers by the ensuing mail. Meanwhile, I may observe that I am confident that the cable will be equal to anything hitherto constructed; and prove to have been contracted for upon very favorable terms as to construction, submergence, and guarantee.

I have, &c.,

JOHN MORRISON.

The Hon. the Colonial Secretary, Wellington, N.Z.