

1875.

NEW ZEALAND.

NEW ZEALAND ELECTRIC TELEGRAPH CABLE,

(FURTHER PAPERS RELATING TO).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

DESPATCH from the Right Hon. the SECRETARY of STATE for the COLONIES to His Excellency the GOVERNOR of NEW ZEALAND.

(No. 45.)

MY LORD,—

Downing Street, 24th July, 1875.

I enclose for your information a copy of a letter addressed to me by Sir Julius Vogel and Sir D. Cooper in regard to the contract into which they have entered, as representatives of New Zealand and New South Wales respectively, with the Eastern Extension, Australasia, and China Telegraph Company, for the construction and laying of a submarine cable between New South Wales and New Zealand.

I also enclose a copy of the reply which I have caused to be sent to them.

Governor the Most Honorable
The Marquis of Normanby, K.C.M.G.

I have, &c.,
CARNARVON.

Enclosure 1 in No. 1.

Sir J. VOGEL and Sir D. COOPER to the Earl of CARNARVON.

MY LORD,—

London, June, 1875.

We have the honor to enclose, for your Lordship's information, two copies of the contract which, as representatives of New Zealand and New South Wales respectively, we have negotiated with the Eastern Extension, Australasia, and China Telegraph Company (Limited).

2. From that document you will learn that, on condition of the payment by New Zealand of £5,000, and by New South Wales of £2,500, a year, for ten years, the Company covenant to construct and lay, without delay, a submarine cable between Sydney and some point on the north or north-west coast of the Middle Island of New Zealand; that the tariff shall not exceed 7s. 6d. for a message of ten words, and 9d. for each additional word; and that those rates shall be reduced when the number of messages averages two hundred a day.

3. As your Lordship is aware, the Eastern Extension Company own the line which connects Northern Australia with Madras, and therefore with the cable-system of Great Britain and other parts of the world. The present rate for messages between England and Adelaide is £9 6s. 6d. for twenty words; of which the South Australian Government receive £1 for the Trans-Continental route, the Government of Java 4s., the Government of India 8s., the Eastern or the Indo-European Company (whichever is employed between India and London) £2 6s., and the Eastern Extension Company the balance, £5 8s. 6d. This heavy charge has been felt in the Australasian Colonies to be a great hardship, especially seeing that no message can be sent for less than the twenty-words rate, and that no additional charge for less than ten words is recognized. There have consequently been negotiations for the establishment of a second through route, but they have not been successful.

4. We have desired, in negotiating the present contract, not to strengthen the Company in the possession of a monopoly; whilst we have felt that, considering the small population of the Australian colonies, they should be content without a second route, if the Company were willing to make reasonable terms for reducing the through rates. We had besides satisfied ourselves that a second line could only be established and maintained at an exceedingly heavy cost. We made it a point, therefore, while negotiating for a cable connecting New Zealand with Australia, to procure from the Company a covenant to reduce the present through rate between England and Australia, on condition that the colonies agreed to pay a certain subsidy.

5. Prior to the present arrangement being discussed there were negotiations between the Company and some of the colonies for a reduction of the rate between Port Darwin and England; the Company offering to agree to a reduction for messages between Port Darwin and London to £3 5s. for ten words, and 6s. 6d. per word additional, for a subsidy of £25,000 yearly. The Company have