

1877.

NEW ZEALAND.

TELEGRAPH CABLES: NEGOTIATIONS AND CONFERENCE

(PAPERS RELATING TO).

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

I.—NEGOTIATIONS.

Negotiations.

No. 1.

Mr. GEORGE THORN to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Postmaster General's Department, Brisbane, 16th June, 1876.

In order to provide for a second electric telegraph cable, and to secure as far as possible uninterrupted communication with the rest of the world, I have the honor to inform you, with reference to previous correspondence, that this Government is prepared to contribute towards a subsidy for an electric telegraph cable from Kimberley, Norman Mouth, to Singapore, touching at such points as may be hereafter agreed upon. Contributions to be based on the relative proportion of the population of the contributing colonies.

The land line to Kimberley, which was originally constructed for the purpose of connecting with a submarine cable, has been in thorough working order for some years, and has been maintained without interruption through heavy floods. This can be made immediately available, and would afford a reliable duplicate land line to connect with the proposed cable.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

GEORGE THORN.

No. 2.

Mr. JOHN S. MACPHERSON to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Chief Secretary's Office, Melbourne, 15th August, 1876.

With reference to my telegram of the 5th instant, I have the honor to inform you that this Government concurs in the suggestion that the question of laying another telegraph cable should be referred to a Conference of delegates from all the colonies interested, which should have power to consider the various propositions that have been brought forward on the subject. It is also considered desirable, before the question is finally settled, that some measures should be taken for ascertaining the disposition of the Government of the United States in regard to its making a contribution towards the expense of a cable *via* the Sandwich Islands to San Francisco.

A letter has been written to the Colonial Secretary of New South Wales to this effect.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

JOHN S. MACPHERSON.

No. 3.

The Hon. the COLONIAL SECRETARY, Sydney, to the Hon. the COLONIAL SECRETARY, New Zealand.

Sydney, 13th September, 1876.

The Hon. the Colonial Secretary, Wellington.

MR. CRACKNELL, our Superintendent of Telegraphs, advises by telegram from London as follows:—“ Before deciding duplicate cable, see my letter August 23rd, *via* Frisco. Am satisfied that cheapest and only duplication necessary at present is from Singapore to Banjoewangie, which will require only small subsidy. Darwin cable not likely to give much trouble for some time, and will in future be immediately repaired. When Western Australian land lines finished, could carry cable from Banjoewangie to North-West Cape. Submarine cable to Ceylon or Mauritius considered impracticable. Nothing doing for cable for Mauritius to Aden. Duplicate lines are being shipped for Suez to Bombay, also for Rangoon and Penang. Normantown proposal too expensive in comparison to Queens-

Negotiations. land. Proposition of subsidy above is only practicable arrangement, without involving unnecessary expense to colonies. Cost per annum will be supplied in few days." So soon as the letter of 23rd August arrives we will send you a copy.

COLONIAL SECRETARY.

No. 4.

The Hon. the COLONIAL SECRETARY, Sydney, to the Hon. the COLONIAL SECRETARY, New Zealand.

Sydney, 28th September, 1876.

The Hon. the Colonial Secretary, Wellington.

MR. CRACKNELL, Superintendent of Telegraphs, in unofficial letter dated Cook, 1st August, writes to Postmaster-General, "From all I could gather in the United States, it is by no means probable that the American Government will subsidize a telegraph cable."

COLONIAL SECRETARY.

No. 5.

The Hon. the ACTING COLONIAL SECRETARY, Western Australia, to the Hon. the COLONIAL SECRETARY, New Zealand.

SIR,—

Colonial Secretary's Office, Perth, 4th September, 1876.

I have the honor, by direction of His Excellency Governor Robinson, C.M.G., to acknowledge the receipt of your letter of the 6th July, 1876, enclosing therewith a further memorandum on the subject of electric telegraph communication by deep-sea cables between the Australasian Colonies and the rest of the world.

His Excellency desires me to express to you the wish of this Government to send a delegate to any Conference that may be held on telegraphic questions if you will kindly give this Government due notice.

I have, &c.,

A. O'GRADY LEFROY,
Acting Colonial Secretary.

The Hon. the Colonial Secretary, Wellington.

No. 6.

MR. AUDLEY COOTE to the Hon. the POSTMASTER-GENERAL, New Zealand.

Re Duplicate Cable to London.

SIR,—

Hobart Town, 12th September, 1876.

Referring to my previous letters I have had the honor of addressing to you from time to time on the above subject, may I again ask that this matter may receive early consideration at your convenience? And as it now appears to be the wish of all the colonies that this duplicate cable should take more the form of an intercolonial undertaking than heretofore, and also that a Conference be held to take into consideration the route that the delegates may in their wisdom select, may I again take the liberty of informing you that I have been deputed by, and am the representative of, an associated body of gentlemen well known in the telegraphic world, who initiated and have for years taken great interest in this undertaking, and whose Company have cables and wires already working and ready to connect with this duplicate cable? And as some point may arise as the Conference progresses, may I venture to ask that I may be in attendance, and so be ready to answer any question the delegates may in their deliberations think it desirable or necessary I should explain, as undertakings of this nature, even with a subsidy from the Colonial Governments, sometimes fall through if too severe restrictions be placed upon them; but not so if the Governments give it a liberal support, as the public confidence in all telegraphic undertakings is now considerably shaken, this having been brought about by the successive ruptures, nearly 10,000 miles of the principal cables being interrupted last month, of which the following are some:—

The Atlantic cable of 1865, the Falmouth and Lisbon almost continuously interrupted, and almost simultaneously the French Atlantic cable of 1869, the Madras-Penang cable, the Java-Port Darwin cable, the Singapore-Batavia cable; and all of these, I believe, were manufactured and laid by one company.

The public not being ignorant of these facts, coupled with the shares of the best telegraph companies at 50 per cent. discount, makes it the more desirable that this undertaking should be backed by a liberal guarantee or subsidy from the different Governments.

Should the Governments prefer it, may I venture to suggest that the Governments order the cable direct from the contractors, to be paid for by money raised by them as a public loan? This could be done on very reasonable terms, and certainly on conditions much cheaper than that of any public company. The Governments would then have the entire control of an independent line to India, and would probably be able to insure as low rates for messages, and at a paying price to themselves.

I have taken the liberty to place these facts before you, showing the necessity of the Governments granting tariffs and conditions as liberal as possible, and that what I have already asked for as a subsidy is not excessive.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

AUDLEY COOTE.

No. 7.

The Hon. the COLONIAL SECRETARY, New South Wales, to the Hon. the COLONIAL SECRETARY, New Zealand.

SIR,—

Colonial Secretary's Office, Sydney, 21st October, 1876.

I have the honor, at the instance of my colleague the Postmaster-General, to transmit to you, for the information of your Government, the enclosed copies of a letter and telegram received from London from our Superintendent of Electric Telegraphs (Mr. E. C. Cracknell), concerning the duplicating of the telegraphic communication between India and Australia, and the reduction of the existing rates.

I have, &c.,

The Hon. the Colonial Secretary, Wellington.

JOHN ROBERTSON.

 Enclosure 1 in No. 7.

Mr. C. C. CRACKNELL to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

92, Charlotte Street, Fitzroy Square, London, 23rd August, 1876.

Since my arrival in London I have devoted nearly the whole of my time to the important matter of duplicating the present defective telegraphic communication between India and Australia, also the reduction of the existing rates.

In the first place I have satisfied myself as to the electrical condition of the present Java and Port Darwin cable, and find from the last tests it is not probable that any prolonged interruption will occur again for some time, except perhaps from accidental breakage in shallow water, which in future will be immediately repaired. This being the case, I consider it quite unnecessary at present to expend a large sum annually for a second cable over this section; but strongly recommend the immediate duplication of the line from Singapore to Banjoewangie, for the following reasons:—It will replace a very defective section between Singapore and Batavia, and will get rid of the delays and serious errors through the business having to be repeated over the Java land lines, which are worked by Dutch operators.

If these suggestions be carried out, there will be a duplicated line the whole way from London to Banjoewangie, a new cable being almost completed for Penang and Rangoon, and duplicate cables are being shipped for the Red Sea and Bombay sections.

The subsidy required will also be very small (the sum I will telegraph you before you receive this), so that the £20,000 already required by the Eastern Extension Company for the reduction of the rates can also be provided without being seriously felt.

Should it be found after the next few years that the Port Darwin cable gives trouble, which I do not anticipate, I would then recommend that a submarine line be carried from North-West Cape, Western Australia, to Banjoewangie. This cable would be less than 900 miles in length, and would cost very little to subsidize; but it is useless thinking of this as an alternative route at present, as the land lines along the Great Australian Bight are not ready, nor will they be for many months.

It would be very interesting to know how Mr. Audley Coote intends sending messages of ten words for £3 from Sydney, when the present charge is £3 2s. 6d. from London to Singapore; and it is by no means clear how he intends connecting Singapore with the Indian lines. I am informed land lines are quite out of the question.

It is not improbable that the Imperial Government will assist in the subsidies for a new cable from Singapore to Java and the reduction in the telegraphic charges to the colonies, and I intend before leaving London to see some of the members of the Colonial Society, and move them to wait on Lord Carnarvon, who, I believe, would entertain such a proposal.

I have, &c.,

E. C. CRACKNELL.

 Enclosure 2 in No. 7.

TELEGRAM from C. E. CRACKNELL, Superintendent of Telegraphs, dated London, received at Sydney at 3.45 on the 11th October, 1876.

EXTENSION Company submit following terms for duplicating our cables:—Singapore to Banjoewangie, Twenty-one thousand seven hundred and eighty pounds per annum; Banjoewangie to North-West Cape, twenty-three thousand two hundred and twenty pounds, including three per cent. for renewal funds. Any reduction in interest for raising money through Government subsidy will be credited to colonies concerned. Interest on the accumulation for renewal funds to go towards reduction of amount for replacing cables. If new cable not required in twenty-two years renewal fund will cease, and interest will go towards reduction of subsidy, as cables have been shipped to duplicate lines as far as Penang. I recommend that the cable from Singapore to Banjoewangie be arranged for at once, which will cost the colonies fourteen thousand five hundred and twenty pounds for interest, and seven thousand two hundred and sixty pounds for renewal per annum, which is the cheapest way out of the difficulty. Banjoewangie to North-West Cape to follow, if necessary. Do you wish me to remain after October mail? Please instruct by return steamer from Penang, as mail leaves Southampton on nineteenth.

 No. 8.

Mr. AUDLEY COOTE to the Hon. the COLONIAL SECRETARY, New Zealand.

Re Duplicate Cable to London.

SIR,—

Hobart Town, 23rd October, 1876.

I have the honor to refer to a telegram in the local newspapers, in which it states,—
 "It is rumoured that the New South Wales Government have received by the mail a communica-

Negotiations.

tion from Mr. E. C. Cracknell, enclosing an offer from an eminent firm of contractors for the construction of a second cable between Europe and Australia, and that, after full consideration by the Executive Council of Sydney, the proposal has been submitted to the various Governments of the Australian Colonies."

I have most respectfully to refer to my several offers already made for this purpose, and to inform you that I left England for the express purpose of laying before the Australian Governments an offer to connect Australia with England by a complete duplicate line, and that I have full powers to enter into and sign a binding contract with any and every Australian Government for this purpose, either on the principle of a guarantee of interest, or a subsidy upon the amount of capital necessary to carry it out. Also, should the Governments prefer to order the cable direct from the contractors, to be paid for by money raised by themselves, and so make the duplicate cable their own property, and so arrange their own tariff, &c., I am also prepared to enter into an agreement on behalf of the Messrs. Siemens Brothers, of London, to manufacture and lay the cable; and also, in order to guard the Governments against the inconvenience and trouble attending the working and maintenance of a cable, to work and maintain the cable for them on reasonable terms.

I shall be glad if the Executive will consider these proposals at an early date, and, if required, I shall be happy to supply any further information in my power. Permit me also to add that I only await a telegram to attend upon your Government.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

AUDLEY COOTE.

No. 9.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Government Offices, Wellington, 17th November, 1876.

You are aware that it has been suggested that a Conference of representatives of the Australasian Governments should consider various questions relating to telegraph cable arrangements, and especially the steps that should be taken, and the co-operation that should be sought, with a view to securing a second line of communication between Australia and India. You are also aware that the Eastern Extension Australasia and China Telegraph Company (Limited) recently submitted to the Colonial Office a proposal to duplicate a specified portion of the Company's Indian system; and that that proposal has, through His Excellency the Governor, been referred to this Government for consideration.

2. The Government do not think it desirable that they should actively promote a Conference; but they would appoint a representative or representatives should one be resolved upon with any prospect of a practical result. As to the proposal of the Eastern Extension Company, His Excellency has, in compliance with a resolution adopted in Cabinet, informed the Secretary of State for the Colonies that the Government "are of opinion that at present this colony would not be justified in incurring the liability involved in agreeing to the proposal."

3. I enclose copies of despatches and memoranda relative to duplication, and also of the papers on the subject generally, which were presented to Parliament during the late session. The telegram referred to in the earlier of Lord Carnarvon's despatches was not received by His Excellency.

4. The disadvantages of an interruption of telegraphic communication between England and the Australasian Colonies have recently been felt to be very great, commercially and socially. It is recognized that, until there is a second line between the colonies and India, the probability of such interruptions must be constant and must increase. The Companies interested in the various lines will naturally desire, provided the cost be not excessive, to avoid stoppages of communication and the direct and consequent loss of revenue; and the opinion prevails that the Home Government, as well as that of India, should contribute towards any well-devised plan for securing the cheapest possible, and the most permanent, telegraph system.

5. The Government desire that they may be kept fully informed upon the subject. I have, therefore, to request that you will, through the Colonial Office, endeavour to ascertain whether the Imperial authorities are willing to contribute towards the cost, by way of subsidy or otherwise, of such duplicate line or lines as may be considered most desirable; and that you will make such inquiries in other directions as will be likely to aid you in that endeavour. You will, of course, carefully guard against its being supposed that the Government are committed to any arrangement until their approval of it has been asked for and obtained; and you will, if necessary, make it understood that without the consent of Parliament no negotiations will be binding upon the colony.

The Agent-General for New Zealand, London.

I have, &c.,

H. A. ATKINSON.

No. 10.

Mr. AUDLEY COOTE to the Hon. the POSTMASTER-GENERAL, New Zealand.

Re Duplicate Cable to London.

SIR,—

Hobart Town, 8th November, 1876.

I again take the liberty of addressing you on this important subject, as my attention has just been called to a letter and telegram published in the newspapers, and sent by Mr. E. C. Cracknell to the Government of New South Wales, in which he recommends that the cable from Singapore to Banjoewangie be arranged for at once, and that the Eastern Extension Company offer to lay this cable for a subsidy of £21,780 per annum.

In the ordinary course of negotiations of this kind I should not have taken the liberty of referring ^{Negotiations,} to this letter or telegram from Mr. Cracknell, but in the letter he has been pleased to mention my name, so, with your permission, I will explain the difference between the offer of the Eastern Extension Company and that of my principals, who are, as you are aware, the Messrs. Siemens Brothers, and the Anglo-Australian Telegraph Company.

First, the Eastern Extension Company offer to lay a short piece of cable that will be of the greatest benefit to themselves to have subsidized, but of very little benefit, "comparatively speaking," to the Australian Colonies; and this Mr. Cracknell suggests should be done for a yearly subsidy of £21,780, together with £20,000 a year for reduction of rates, which is tantamount to £41,780 a year, and which, if adopted, will entirely shut out Queensland and all her good lines. Mr. Cracknell has also been pleased to say that "it is by no means clear how Mr. Coote intends connecting Singapore with the Indian lines, &c." May I again assure you that the Company I represent have all their connections quite complete with their already extensive system, thus making a complete duplicate line, and so, if possible, break a growing monopoly?

I am also instructed to say that it is still the opinion of some of the most experienced men in England that it would be far the best for the colonies to have a cable starting from Normanton in Queensland, or Geraldton in Western Australia, and terminating at either Singapore, Rangoon, or False Point in India—in any case to have a complete duplicate line; and whether Queensland or Western Australia be selected as the starting point, the subsidies would be nearly the same—viz., from about £40,000 for the shortest, and from £50,000 to £60,000 for the longest route; and in all the offers I have had the honor to make for this undertaking, it has always been understood that a complete duplicate system should be guaranteed, and it now appears that these amounts are but little over what Mr. Cracknell suggests should be given to subsidize a short extension of the present interrupted cables. And again, with reference to the last paragraph of his letter, he states that "it was not improbable that the British Government will assist in the subsidies for a new cable to Singapore and Java, and the reduction of the telegraph charges to the colonies."

In answer to this, I venture to say that it would be the proper course to pursue, but having previously made myself certain on this point, I now feel absolutely sure that the British Government will never raise or contribute any money towards its being carried out.

But should the Australian Governments prefer it, permit me most respectfully to say that the most economical plan of the Governments interested would be to raise themselves the money for the construction of the cable, so as to acquire the cable as their joint property; and in order to guard them against the inconvenience and trouble in the working and maintaining of a cable, I am instructed to say that my principals are prepared to work and maintain it on behalf of the Governments interested.

I have, &c.

AUDLEY COOTE.

The Hon. the Postmaster-General, Wellington.

No. 11.

Mr. HENRY AYERS to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Chief Secretary's Office, Adelaide, 14th November, 1876.

Referring to previous despatches on the subject of a duplication of the Anglo-Australian telegraph cable, I have now the honor to forward printed copy of the latest correspondence connected therewith, and to call your special attention to the reply of His Excellency Governor Musgrave to the despatches of the Right Hon. the Secretary of State of June 2nd and July 7th respectively.

This Government are of opinion that the time has arrived when the whole question should receive consideration in conference of representatives of the several Governments interested, and will be glad to learn that you concur in the view that a meeting with that object should be held at as early a date as practicable.

I have, &c.,

The Hon. the Colonial Secretary, New Zealand.

HENRY AYERS.

No. 12.

Mr. J. PENDER to the Hon. the COLONIAL SECRETARY, New Zealand.

The Eastern Extension Australasia and China Telegraph Company (Limited),
66, Old Broad Street, London, E.C., 10th October, 1876.

SIR,—

I have the honor to inform you that, in consequence of the discussion which has recently taken place in Australia with reference to the duplication of the telegraph cable to that continent, I invited, on the 4th instant, a Conference of the Agents-General of the several Australasian Colonies for the purpose of communicating and explaining through them to their respective Governments the terms upon which such a duplication can be effected.

I now beg to transmit to you herewith a memorandum which was laid before them, and a copy of which was handed to the Agent-General of your Government, which will doubtless be forwarded to you in due course.

It would greatly tend to the speedy and final settlement of the matter if a Conference of the various Agents-General, armed with full powers from their respective Governments, were to assemble in London.

I should be glad if you would issue the necessary instructions.

I have, &c.,

JOHN PENDER,

Chairman.

The Hon. the Colonial Secretary, New Zealand.

Enclosure in No. 12.

PROPOSED ADDITIONAL TELEGRAPHIC COMMUNICATION between ENGLAND and AUSTRALIA.

The Eastern Extension Australasia and China Telegraph Company, (Limited),
66, Old Broad Street, London, E.C., 3rd October, 1876.

A CORRESPONDENCE that has taken place between the different Australasian Colonies on the subject of additional cable telegraphic communication having lately been officially published by the Government of South Australia, and the name of this Company having been prominently mentioned as the most fitting body to carry out the views therein expressed, the directors have had the matter under their most serious consideration, and they offer the following proposals as the result of their deliberations.

The present amount of traffic and the income derivable from it would not justify this Company in undertaking this large extension, which involves a very considerable outlay of money, without assistance on the part of the colonies. The number of messages between Australia and all parts of the world during the year 1875 was 11,075, of twenty words each, averaging thirty-two messages daily, the transmission of which does not afford occupation for the present cable for more than two hours a day. There has been no marked growth in the traffic since the opening of the line in 1872; the number of messages in 1873 being 11,047, and in 1874, 11,513, so that there would appear to be no great hope of any large extension in the future. During the year 1875 the income derived by the Company from Australian messages amounted to £62,172, but when from this is deducted the cost of working and of the maintenance and repair of the cable, it will be seen that a very small return remains on the capital of £600,000 which was originally invested in the scheme.

The duplication as is above shown not being necessary on account of the traffic, it is evident that if carried out it will be entirely in the interests of the colonies, as an insurance against interruptions to which submarine cables are from time to time liable. Under these circumstances, it is but right that the Governments should bear the expense involved.

In order to lay down this cable, it will be necessary that the money be raised by the Company on the security of its property in the public market. When laying down the New Zealand cable, the Company had to raise money at the rate of 6 per cent., nor does it see any reason for supposing that it will be able to obtain the large sum requisite for this scheme on more favourable terms. The Governments of Australia, however, might, by assisting the Company with a guarantee for the raising of this money, enable them to do so at a more favourable rate, in which case of course this advantage would be credited to those Governments. The Company would therefore require the Governments to subsidize them to the amount of the interest that would be payable on the capital obtained; and moreover, as cables are of a perishable nature, and it is necessary to renew them from time to time, it becomes imperative, in order to secure permanency of communication, that a reserve fund should be laid by annually, which by its accumulation would enable a new cable to be put down after a certain period. Experience does not exist as to the actual life of a cable, and indeed it must vary according to the surrounding circumstances; but taking into consideration the warm shallow seas in which the greater part of this cable is to be laid, teeming as they do with animal life, which has hitherto proved very destructive to the cables already submerged, it would not be fair in the present instance to estimate it at too long duration.

There will doubtless be other companies offering to provide a new cable; but this Company cannot see how in the face of the present traffic an independent company could exist. Contractors for their own personal gain may endeavour to get up an opposition cable, but it would only be at a loss to the shareholders who might take the property off their hands. The result therefore of another and second independent line would be that there would be two struggling companies, each trying to procure a livelihood from an insufficient traffic, which would prove so unremunerative, that in case of accident to either of them, it would become a question with the shareholders whether it would be worth their while to repair the line by further outlay. The consequence would be that the colonies would be again reduced to a single line, and the object of the attempted duplication would be defeated.

The only hope of duplication is in the present Company, which already possesses one line, and which, with a subsidy and the amount of its present traffic, would be in a position to maintain the two lines in fair and efficient order.

It may also be noted that the duplication now under consideration extends only as far as Singapore, so that any new company that might undertake it would have to continue the extension to India, in which case the expense would be so great that any subsidy, unless very large, would be inadequate. This Company, however, already possesses one line between Singapore and India, and has entered into a contract for a second, which will be laid down by the end of the present year. The colonies, therefore, would be in possession of a duplicate line the whole way between India and Australia should they complete negotiations with this Company.

With regard to the reduction of the tariff which is also mooted, this question is entirely separate from the foregoing.

The present cable derives an income of £62,172 per annum, which, as has already been observed, is very inadequate for the service performed and the risky nature of the property. Should the colonies require any reduction of the present tariff the Company will be happy to meet their views, but they cannot assent to any proposal that would diminish their present income. The negotiations therefore will have to be based upon a calculation which would make up to the Company the sum that they would lose by the reduction of the tariff that might be agreed upon.

While on this subject it may however be worth observation that the cry against the present tariff is not altogether just. The telegraph is employed almost exclusively for commercial purposes, and every mercantile house possesses a code of its own, which by the use of one word conveys the meaning of a sentence. The Company charges for this one word only; but if the sender of the message were to divide the cost of this word over the words whose meaning it secretly conveys, it would be found that the expense is not so very great. Again, admitting that a reduction may be feasible to the extent of one-half the present rate, it would still be found that the tariff would be so high that no very great

extension of traffic would follow, certainly not in proportion to the ratio of the decrease of cost, and the result would consequently be a loss to the Company. At the recent Convention at St. Petersburg it was the unanimous opinion of all Submarine Companies that the expansion of communication was very disappointing, and that at the existing rates the business was not remunerative. Negotiations.

It appears to the Company that the shortest route for the new cable would be the best, as requiring the least expenditure of capital, and therefore the most advantageous to the colonies.

There are two routes which in this view suggest themselves—the one going from Port Darwin and following the line of the present cable to Banjoewangie, and the other starting from North-West Cape, in Western Australia, and going to the same point. Whichever of these schemes may be adopted, the Company would propose to carry on the communications to Singapore by a cable laid direct between there and Banjoewangie, in place of taking the messages over the lines of the Java Government.

In case of the cable from Port Darwin to Singapore touching at Banjoewangie, the distance would be 2,151 miles, and its cost £540,000; in case of the cable going from North-West Cape, also touching at Banjoewangie, the distance would be 1,973 miles, costing about £500,000.

The Company would require a subsidy of 6 per cent. on the sums, according to whichever route may be adopted. This amount is necessary in order to pay the interest on the capital that would have to be raised in the open market. In addition to this, the Company would require a sum of 3 per cent. to be laid by as a reserve to meet any repairs that might be necessary to the cable, and also to provide a sum for replacing it as it may become worn out. This sum would have to be guaranteed for a term of 22 years, in which time it is calculated that if 3 per cent. on any sum is laid by annually and invested at 4 per cent. the original capital will be produced. The sums, therefore, required would be, if the cable went from Port Darwin, £48,600, or, if from North-West Cape, £45,000 per annum.

JOHN PENDER, Chairman,
Eastern Extension Australasia and China Telegraph Company.

No. 13.

The Hon. the PREMIER to the CHAIRMAN, Eastern Extension Australasia and China
Telegraph Company (Limited).

SIR,— Colonial Secretary's Office, Wellington, 15th December, 1876.

I have the honor to acknowledge the receipt of your letter of 10th October, enclosing copy of a printed paper, issued by your Company, headed "Proposed Additional Telegraphic Communication between England and Australia."

2. Without consideration of your suggestions as to a duplication of cables, this Government agrees to the Agent-General for the colony attending a Conference of Agents-General in London. He will, however, be empowered to discuss the question only; and no decision of such a Conference will be binding upon the colony until it has been approved by the General Assembly.

3. Sir Julius Vogel will be instructed accordingly.

The Chairman, Eastern Extension Australasia and
China Telegraph Company (Limited).

I have, &c.,
H. A. ATKINSON.

No. 14.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,— Colonial Secretary's Office, Wellington, 15th December, 1876.

Referring to my letter of November 17th, respecting telegraph cable communication between Australia and England, I have the honor to inform you that the Chairman of the Eastern Extension Australasia and China Telegraph Company has addressed to the Government a communication enclosing certain proposals, and suggesting that a Conference of Agents-General should be held in London to consider the question.

2. My former letter sufficiently authorized your taking part in such a Conference.

3. Mr. Pender has accordingly been informed that the Government agree to your attending; but that you will be "empowered to discuss the question only; and no decision of such a Conference will be binding upon the colony until it has been approved by the General Assembly."

Sir J. Vogel, K.C.M.G., &c.,
Agent-General for New Zealand, London.

I have, &c.,
H. A. ATKINSON.

No. 15.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,
13th January, 1877.

SIR,—

I have the honor to acknowledge the receipt of your letter of November 17th, 1876, in which, after informing me of certain circumstances which have occurred in connection with the proposed duplication of a part of the cable line of communication between Australia and Europe, you desire me to make inquiries on the subject, but to carefully guard myself from fixing on the Government any liability.

2. I will explain to you certain steps which I had already taken in connection with the subject before I received your letter.

Negotiations.

3. When I was passing through New York, I had several interviews with Mr. Cyrus Field, who, as you are doubtless aware, is fairly entitled to be considered the parent of long ocean telegraphy. Mr. Field enthusiastically urged the advantage of a connection between San Francisco and Australia, together with a connecting line from Honolulu to China and Japan. I enclose you a copy of some correspondence on the subject between Mr. Field and myself, together with one set of the maps he sent to me. Since I have arrived here, I have come to the conclusion that America is more likely to aid the construction of a line of cable to China, without mixing up with such a project communication with Australia.

4. I found on my arrival in London that the Eastern Extension Company had invited all the Agents-General to meet them, and had proposed a scheme for duplicating the line between Singapore and Australia, not dissimilar to the one submitted to you through the Secretary of State for the Colonies. Copies of the proposal were sent to this office, but through some oversight it does not appear that any of them were forwarded to the colony. I now enclose two copies.

5. I had so much to do with the subject of cable communication with the colonies that I naturally examined the proposal of the Eastern Extension Company with great interest. It seemed to me so open to exception, that I felt inclined to ask the Company to reconsider it, with the object of placing before the Australasian Governments more favourable proposals. With this view I wrote the letter of which I enclose copy. I also saw some of the Agents-General with the object of inducing them to either call a meeting of the Agents-General, or to write to the Company critically examining the proposals made, and inviting their reconsideration. I find that those Agents-General with whom I communicated were not inclined to take any action pending instructions from their Governments. They had sent out copies of the Eastern Extension Company's proposal, and were to some extent differently placed from me, inasmuch as they might shortly expect a reply. Under these circumstances, I very carefully considered the course I should pursue, and it appeared to me undesirable to send the letter to the Company. If there could have been a meeting of Agents-General, I think, without making their Governments in the slightest degree responsible, they might have been enabled to elicit from the Company more favourable proposals. But if I, single-handed, addressed myself to the task, I could not have expected any other answer than that the Company preferred waiting to hear from the colonies, and would be willing to consider any counter propositions which might be submitted to them. I, however, send you the letter, as you may consider my criticisms on the proposal to possess some interest. I am of opinion that the Company's proposal in its present shape is quite inadmissible; but that if the Government were to propose something in the nature of what I have indicated, the Company would be willing to modify their proposal.

6. I cannot do sufficient justice to my strong conviction of the paramount attention which the subject demands from the colonies. The one disadvantage which as countries the Australasian Colonies labour under is distance from the great centres of civilized populations. The measures which assist in lessening the difficulties arising from that distance are of overwhelming moment to the colonies. First amongst such measures is cable communication; but as yet the advantages derivable from it have only to a very trifling extent been experienced.

The disturbance of the line has been so frequent that cable communication could never be relied on. I am of opinion that nothing short of a complete duplicate system from end to end will give such security against frequent break-downs as will serve to remove the want of confidence which is felt in cable communication. The duplication must be through Australia as well as beyond Australia; and the choice must therefore be made between Western Australia and Queensland. You will see, by the letter to which I have already referred, that I have to a great extent changed the opinion I previously expressed against the Queensland route. The subject demands much consideration, and its decision largely depends upon Queensland being willing to give cheap rates to Normanton. It will be remembered that, when the matter was under review before, Queensland proposed to charge the other colonies 7s. for messages which, within its own limits, could be sent for 1s. or 2s.—I forget which.

7. Scarcely less important than continuity is rapidity of communication. In this respect the colonies have never known the benefit of the cable. They have enjoyed an accelerated rate of communication, but nothing in the nature of that rapidity which cable telegraphy means to other parts of the world. The average time of a cablegram between New York and London is less than a quarter of an hour. I am afraid to write what I think the average has been between London and Australia. You will notice Mr. Field dwells upon the point in his letter to me. And-by a return of the Company's own, which I enclose, you will see what can be done in the way of speed, and will be able to compare the results with those we have generally experienced, and which we have grown to anticipate in using the cable. As a consequence of the long time occupied in transmission, the cable has been comparatively useless for purposes which require a rapid interchange of ideas. Many thousands of pounds have been lost and much inconvenience occasioned by the hope of obtaining even moderately rapid communication. In consequence, the cable has gained little in popularity. With certain and rapid communication the business would enormously increase. The time has come, I think, when the Government of the colony should determine that something should be done to increase the present rate of speed. I have reason to think that much of the delay arises through precedence being given to Indian business, there being considerable competition between the two Companies that convey messages between Europe and India.

8. I will place myself in communication with the Colonial Office, as you suggest, though in my opinion there is little prospect of any assistance being given. I believe it is not impossible that the Imperial Government will aid a line to the South African Colonies by appending a guarantee, and accepting in exchange a guarantee from the different colonies. Such a plan would not be likely to suit the Australasian Colonies. It involves a continuous guarantee, whether or not the line works. It may be worth while to give such a guarantee to get a line which private enterprise seems otherwise to decline, but it is scarcely necessary to give it in a case where cable communication has been established without Government subvention or aid.

9. I will endeavour to obtain information concerning the views and feeling of the Government of India. The Australasian Colonies are led to believe that the Indian Government discourages competition. Probably, when the version of the Indian Office is told, a different impression will remain. I cannot conceive that the Government of India should fail to desire to aid the Australasian Colonies.

10. You may rely that in any steps that I take, and inquiries I make, I will not commit the Government, directly or impliedly, to liability or responsibility of any kind whatever.

I have, &c.,

The Hon. the Premier, Wellington.

JULIUS VOGEL, Agent-General.

No. 16.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,
6th February, 1877.

SIR,—

In continuation of my letter of 13th January, No. 62, on the subject of duplicate cable communication, I have the honor to forward to you the subjoined copy of two telegrams forwarded by me to the New Zealand representative at the Telegraph Conference held at Sydney.

2. I was informed that such a Conference was being held, and I understood that the Eastern and Eastern Extension Companies were willing to forward without charge messages to the Conference. Besides the advantages which I took of this liberality, I deemed it desirable to forward the second of the two messages. It seemed to me very important, in case the Conference were disposed to do anything, that it should be known there was reason to think the Extension Company would be willing to treat on better terms than those disclosed in the offer already sent out.

3. I regret much to find, from a telegram in the *Times* of the 6th February, that the Conference has concluded its sittings without "arriving at any definite understanding."

4. Referring to a passage in the first telegram relating to the Imperial Government, I may explain that, after two unofficial communications with the Colonial Office, I thought it inexpedient to formally and officially ask what aid the Imperial Government would be willing to render to the duplication of the Australian-Singapore line. The answer to such a request at the present time would, I believe, rather retard than promote a favourable result. In my opinion the time will come, and perhaps before very long, when the whole question of the cable communication between Great Britain and her colonies and dependencies will have to be considered; but I doubt if at present there is any advantage in pressing on the Imperial Government the Australian aspect of the question. There is, I think, a disposition to assist the Cape, and other South African possessions, to obtain cable communication, of which they have none at present. If the Australasian Colonies showed themselves exigent just now, they might stand in the way of the Cape arrangements, without benefiting themselves. On the other hand, supposing (which is of course not certain) anything were done for the Cape, the whole subject would be well ventilated in Parliament, and something like a precedent would be established which might hereafter be useful. At present South Africa, without any cable communication, has clearly the strongest case.

5. Meanwhile I have received through the Colonial Office an introduction to an officer in the India Office, for the purpose of obtaining from him information concerning the arrangements between the Indian Government and the Companies which, on either side of India, convey Australasian messages.

6. You will be interested to learn that the project of a line between Western North America and China has lately been carefully investigated. The result is that if such line were to run south of San Francisco it would involve an enormous risk, for the depth of the ocean in which it would have to be submerged exceeds in parts anything yet attempted with ocean telegraphy, and from such a depth it would be hopeless to expect to raise the cable in case repairs were needed. To the north, by the Aleutian Islands, the project is feasible, and an effort is being made to carry it out, but the chances of success at present are exceedingly doubtful. A line direct south, from San Francisco to New Zealand or Australia, is, I fear, not feasible, on account of the depth of ocean to which I have alluded. Connection with America would have to be made by communication being established between Australia and China, supposing a cable were carried from America north of San Francisco to Japan. This distant and possible eventuality should not, I think, interfere with the work, which is really urgent, of a duplicate system between the settled parts of Australia and Singapore.

I have, &c.,

The Hon. the Premier, Wellington.

JULIUS VOGEL, Agent-General.

Enclosure 1 in No. 16.

UNDERSTAND Telegraph Conference sitting. Have not formally applied Imperial Government, but communications I have had lead me suppose no direct Imperial assistance available at present. Hope obtain all information respecting Indian Government system as far as it affects ours. Strongly advise complete duplication to Singapore, either from Normanton or North-West Cape.

VOGEL.

Enclosure 2 in No. 16.

VOGEL wishes you to tell New Zealand representative at Conference he has reason to believe Eastern Extension Company will make much more favourable terms if negotiated with.

Negotiations.

No. 17.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,
29th March, 1877.

SIR,—

In continuation of my previous letters on the subject of the telegraph cable, I have the honor to say that, before proceeding to ascertain from the India Office information as to the conditions the Government of India impose on the two Companies who transmit through India Australian messages, I thought it desirable to make myself acquainted with the way in which the present tariff is divided between the various Companies and Governments.

2. As I found some difficulty in obtaining the information single-handed, I moved the other Agents-General, and they willingly joined me in the letter, copy of which, with the rest of the correspondence, I enclose. The reply received from Colonel Glover contains interesting information. Since its receipt I have been prevented by ill-health from visiting the India Office, but I propose doing so in a few days.

The Hon. the Premier, Wellington.

I have, &c.,

JULIUS VOGEL, Agent-General.

Enclosure 1 in No. 17.

Sir J. VOGEL to Colonel GLOVER.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,
1st March, 1877.

SIR,—

I have the honor to enclose you a letter signed by the Agents-General for the Colonies of Victoria, New South Wales, Queensland, the Acting Agent-General for South Australia, and myself, requesting certain information from you in continuation of that contained in your letter of the 15th May, 1874, to Mr. Boothby, Under Secretary of the South Australian Government.

I have, &c.,

Colonel Glover, 66, Old Broad Street, E.C.

JULIUS VOGEL, Agent-General.

Sub-Enclosure to Enclosure 1 in No. 17.

AGENTS-GENERAL to Colonel GLOVER.

SIR,—

27th February, 1877.

A statement has lately appeared in the papers to the effect that the Eastern Extension Company is receiving a very large rate for the transmission of Australian messages, and that a great profit accrues to the Company from the alteration in the tariff made about fifteen months since.

In a letter to Mr. Boothby, the Under Secretary, South Australia, bearing date 15th May, 1874, very interesting information was given by your Company, showing in a tabular form the proportions in which the then tariff charges to various places were divided. This letter was largely circulated.

We shall be glad if you will furnish us with like information concerning the present tariff.

We make no excuse for seeking the information. Not only does it seem natural you should give the same information respecting the present as the former tariff, but the negotiations which have been opened by your Company with our Governments for a subsidy appear to us to be only consistent with a willingness on your part to afford full information on any point likely to affect those negotiations.

We should also be glad to know, if you can furnish the information without much trouble, what effect on the average length of the messages the alteration to a word charge has had.

We are, &c.,

ARCHD. MICHIE.
WILLIAM FORSTER.
A. MACALISTER.
JULIUS VOGEL.
SAML. DEERING.

Colonel Glover, Managing Director,
Eastern Extension Australasia and China Telegraph Company.

Enclosure 2 in No. 17.

Colonel GLOVER to Sir JULIUS VOGEL.

The Eastern Extension Australia and China Telegraph Company (Limited),
66, Old Broad Street, London, E.C., 9th March, 1877.

SIR,—

I have the honor to acknowledge the receipt of a letter dated February 27th, signed by yourself as also by the Agents-General of the several other Australasian Colonies, and in reply have the pleasure to enclose the information requested.

The information formerly given to Mr. Boothby, to which you allude, had reference to the then existing twenty-word rate; I have, therefore, for purpose of comparison, divided it into its proportion per word, and included it in the annexed table, which also exhibits the information you require.

With regard to the statement to which you allude as having appeared in the papers, that "a great profit accrues to the Company from the alteration of tariff made about fifteen months since," I would beg to refer you to the table, which shows that the addition received by this Company is only 2d. per word. Applying which to the traffic, as stated by the Postmaster-General of South Australia in the papers printed for submission to the Parliament of that colony, dated 20th August last, which shows a total of 235,000 words as the number passing over the cable, and which also agrees very closely with my own statistics, it will be seen that the increase of income only amounts to £1,950 per annum on a revenue of £45,000.

I would beg to add that on the opening of this Company's cable between Rangoon and Penang, Negotiations. which is expected during the current month, the Indian Government have notified their intention of raising their present tariff from 4¼d. to 7½d. per word.

Owing to the interruption of the cable between Penang and Madras for about seven months of the past year, it is not possible to obtain correct statistics, and I am therefore unable to reply as correctly as I should wish to the question contained in your last paragraph, but, from a comparison of the tariff during the first three months of 1876, before the cable gave way, with the corresponding months of the preceding year, it would appear that in 1875 messages averaged about 30½ words in length, and in 1876 24½ words.

I trust you will accept this as a reply to yours of the 1st March, in which you give cover to the joint letter to which this replies. I have sent a separate reply to each of the Agents-General.

I have, &c.,

Sir Julius Vogel, K.C.M.G.

J. G. GLOVER, Managing Director.

| Name of Administration. | Present Rate of | | Former Rate of | |
|-----------------------------------------|-------------------|-----|---------------------------------------------------------------|-----|
| | 9s. 3d. per Word. | | £8 6s. 6d. per 20 Words divided into proportionate Word Rate. | |
| | s. | d. | s. | d. |
| Eastern or Indo-European Company | 3 | 0 ¾ | 2 | 3 ½ |
| Indian Government | 0 | 4 ¾ | 0 | 4 ¾ |
| Java Government | 0 | 2 ½ | 0 | 2 ½ |
| Extension Company | 5 | 7 | 5 | 5 |
| Total | 9 | 3 | 8 | 4 |

Enclosure 3 in No. 17.

Sir J. VOGEL to Colonel GLOVER.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,
25th March, 1877.

SIR,—

I have the honor to acknowledge the receipt of your letter of 9th instant, furnishing information, in continuation of that formerly rendered to the South Australian Government, on the subject of telegraph rates, and I have to thank you for the same.

I have, &c.,

Colonel Glover, 66, Old Bond Street, E.C.

JULIUS VOGEL, Agent-General.

II.—THE CONFERENCE.

The Conference.

No. 1.

CONFERENCE IN SYDNEY: CORRESPONDENCE, ETC., RESULTING THEREFROM.

Report of the Proceedings of the Conference on Duplication of the Cable between Australasia and Europe, held in Sydney, in January, 1877.

THE Conference on the subject of duplication of the telegraph cable between Australasia and Europe assembled in Sydney, and held their first meeting on the 25th January, 1877.

The whole of the Australasian Colonies were represented, as follows, viz.,—

- New South Wales* : The Hon. JOHN ROBERTSON, Colonial Secretary.
The Hon. ALEXANDER STUART, Colonial Treasurer.
The Hon. J. F. BURNS, Postmaster-General.
- New Zealand* : The Hon. G. McLEAN, Postmaster-General and Commissioner of Telegraphs, and Commissioner of Customs.
- Queensland* : The Hon. SAMUEL WALKER GRIFFITH, Q.C., Attorney-General and Secretary for Public Instruction.
The Hon. CHARLES STUART MEIN, Postmaster-General.
- South Australia* : The Hon. Sir HENRY AYERS, K.C.M.G., Chief Secretary.
The Hon. EBENEZER WARD, Minister of Agriculture and Education.
- Tasmania* : The Hon. JAMES WHYTE, Member of the Executive Council.
- Victoria* : The Hon. R. S. ANDERSON, Commissioner of Customs.
The Hon. R. RAMSAY, Minister of Public Instruction and Postmaster-General.
- Western Australia* : The Hon. MALCOLM FRASER, Surveyor-General, and Member of the Executive Council.

At the first meeting of the Conference, the Hon. John Robertson was unanimously elected Chairman, and Mr. Alex. C. Budge, Clerk of the Executive Council, was appointed Secretary.

The Conference unanimously agreed to the following resolution:—

“That the representatives of each colony shall undertake to recommend to the Governments and Parliaments of the colonies which they represent the adoption of measures to carry out the resolutions of the Conference to which they may have given their assent.”

The Conference.

The Conference then proceeded to discuss the whole question of duplication of the cable, and the various routes proposed; when, after mature deliberation, the following resolutions were adopted:—

“1. That it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication, where necessary, of the cables or lines connecting the same.”

“2. That any subsidy on ocean cables to connect Australia with Europe shall be borne by the several Australian colonies assenting thereto, in proportion to population.”

The Conference then proceeded to discuss the whole question of duplication of the cable, and the various routes proposed; when, after mature deliberation, the following resolutions were adopted:—

“1. That it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication, where necessary, of the cables or lines connecting the same.”

“2. That any subsidy on ocean cables to connect Australia with Europe shall be borne by the several Australian Colonies assenting thereto, in proportion to population.”

“3. That the loss, if any, on competing colonial lines, to connect the cables with the main telegraphic system of each colony, should in like manner be borne by all the colonies concerned.”

NOTE.—Tasmania voted against this resolution; New Zealand, Victoria, and Western Australia did not vote.

“4. That inasmuch as it has been decided that it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication, where necessary, of the cables or lines connecting the same, and that the subsidy on ocean cables to connect Australia with Europe be borne by the several colonies assenting thereto in proportion to population,—

“(1.) The several Governments of South Australia, Queensland, and Western Australia be invited to open negotiations for the construction of cables connecting their several colonies with Singapore or Ceylon; and the Government of New Zealand for the construction of a cable from that colony to the United States of America.

“(2.) That in such negotiations the Government of New Zealand enter into communication with the Government of the United States for the purpose of procuring their consent to contribute to the payment of any subsidy that may be payable in respect of the same; and further, that in all the negotiations of the several Governments the necessity of procuring a reduction of the present tariff rates be especially kept in view, the maximum rate being six shillings per word.

“(3.) That in the meantime the South Australian Government be requested, on behalf of the several colonies, to urge upon the Eastern Extension Telegraph Company the necessity of keeping a repairing steamer between Banjoewangie and Port Darwin, to repair any accident to that portion of cable.”

“5. That having in view the serious annoyance and loss occasioned by the mutilation of messages in transmission through Java, the President of this Conference be requested, on behalf of the Australasian Colonies represented, to communicate with the Secretary of State, for the purpose of obtaining permission from the Government of Netherlands-India to employ English operators on the land lines in Java.”

“6. That the Governments of South Australia and New South Wales be empowered to make arrangements with the Eastern Extension Telegraph Company for a reduction of message tariff to six shillings per word, at a subsidy not exceeding £20,000 per annum, terminable at one year's notice; and that such subsidy be borne by the respective colonies in proportion to population—any colony to be at liberty to withdraw on like notice.”

NOTE.—The colonies of New Zealand, Tasmania, and Western Australia refrained from voting on this resolution.

“7. That the several colonies agree to allow the necessary official telegrams of H.M. ships to pass over their respective lines free of charge.”

“8. That the Governments of Queensland and South Australia be requested to circulate among the respective Governments the draft Bills referred to in the resolutions of the Intercolonial Conference held in Sydney, passed on the 10th February, 1873, for removing the defects in the law relating to the extradition of criminals and the absconding of debtors, with a view to the same being submitted to the respective Legislatures as early as practicable.”

(The following are the resolutions referred to:—

“That the present state of the law in regard to the extradition of criminals escaping from one colony into another is defective. That the Government of Queensland be requested to prepare a Bill on the subject, which the representatives of the several colonies undertake—provided it is approved by their respective Law Officers—to endeavour to pass into law.”

“That the present state of the law in regard to remedies to be had against absconding debtors is defective.”

“That the Government of South Australia be requested to prepare a Bill to remedy the defects, and, subject to the approval of their respective Law Officers, the members of this Conference will endeavour to procure the passing of a similar Bill in their respective Legislatures.”)

“9. That in the opinion of the Conference it is desirable that a uniform telegraphic code should be adopted by the several Australasian Colonies.”

A motion proposed by the representatives of South Australia, “That this Conference approves of the construction of a duplicate line from Singapore to Banjoewangie,” was also negatived,—those in favour of the motion being New South Wales, South Australia, and Victoria.

A motion was also proposed by the representative of Western Australia, “That any duplicate of the present cables start from the north-west coast of Western Australia, provided it is shown that by such the best communication with Europe and Asia is secured at a moderate cost as compared with other and alternative routes which have been advanced;” but after some discussion the motion, with the concurrence of the Conference, was withdrawn.

A motion proposed by the representatives of Queensland, "That it is desirable that a submarine cable should be laid from Singapore to Cape York in Queensland, the Government of that colony undertaking, in the event of such cable being laid, to connect their existing land lines therewith," was negatived. Tasmania did not vote.

The Conference discussed several other questions on which no definitive action was taken.

Attention is called to the Appendix of Minutes of Proceedings, report of evidence taken, and documents laid before the Conference.

| | | |
|-----------------------|---|--------------------|
| JOHN ROBERTSON, | } | New South Wales. |
| ALEX. STEWART, | | |
| J. F. BURNS, | } | New Zealand. |
| GEO. MCLEAN, | | |
| S. W. GRIFFITH, | } | Queensland. |
| CHARLES STEWART MEIN, | | |
| HENRY AYERS, | } | South Australia. |
| EBENEZER WARD, | | |
| JAMES WHYTE, | | Tasmania. |
| ROBERT RAMSAY, | | Victoria. |
| MALCOLM FRASEB, | | Western Australia. |

ALEX. C. BUDGE, Secretary.

The Treasury, Sydney, 2nd February, 1877.

MINUTES OF CONFERENCE PROCEEDINGS.

THURSDAY, 25TH JANUARY, 1877.

THE under-mentioned gentlemen, representatives of the Colonies of New South Wales, New Zealand, Queensland, South Australia, Tasmania, and Victoria, were present:—

| | |
|--------------------------|-----------------------------------------------------------------------------|
| <i>New South Wales :</i> | The Hon. JOHN ROBERTSON. The Hon. ALEX. STUART. The Hon. J. F. BURNS. |
| <i>New Zealand :</i> | The Hon. G. MCLEAN. |
| <i>Queensland :</i> | The Hon. SAMUEL WALKER GRIFFITH. The Hon. CHARLES STUART MEIN. |
| <i>South Australia :</i> | The Hon. Sir HENRY AYERS, K.C.M.G. The Hon. EBENEZER WARD. |
| <i>Tasmania :</i> | The Hon. JAMES WHYTE. |
| <i>Victoria :</i> | The Hon. R. S. ANDERSON. The Hon. R. RAMSAY. |

The Hon. John Robertson was, on the motion of Sir Henry Ayers, seconded by the Hon. R. Anderson, unanimously elected to the chair.

Mr. Alex. C. Budge was appointed Secretary.

The Hon. Sir Henry Ayers then proposed,—

"That in the event of any division upon a motion the votes of the colonies shall be taken in lieu of the individual votes of the representative of the said colonies."

The Conference agreed to the same.

The Hon. Sir Henry Ayers also proposed, and the Hon. G. McLean seconded, the following motion, which the Conference unanimously adopted:—

"That the proceedings of the Conference, during its sitting, shall not be made public, except with the sanction of the Conference."

It was then resolved,—

"That the representatives of each colony shall undertake to recommend to the Governments and Parliaments of the colonies which they represent, the adoption of measures to carry out all the resolutions of the Conference to which they may have given their assent."

It was further resolved,—

"That the Secretary be required to prepare minutes of each day's proceedings, which shall be read over and confirmed at the next sitting, previous to any new business being entered upon."

Mr. Stuart gave notice of the following motions:—

"1. That it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication where necessary of the cables or lines connecting the same."

"2. That the subsidy on ocean cables, to connect Australia with Europe, be borne by the several Australian Colonies in proportion to population."

"3. That the loss (if any) on colonial lines to connect the cables with the main telegraphic systems, should, in like manner, be borne by all the colonies concerned."

"4. That if New Zealand contribute to the subsidy and loss referred to in the foregoing resolutions, the subsidy on the New Zealand cable should be a common charge to be borne by all in a similar manner."

Mr. Griffith gave notice of the following motions:—

"1. That it is, in the opinion of this Conference, essential that a complete duplicate system of telegraphic communication should be forthwith established between Great Britain and the Australian Colonies."

"2. That such duplicate system should be entirely independent of the lines of the Eastern Extension Telegraph Company, and of the South Australian line between Port Darwin and Adelaide."

"3. That the point of connection between the duplicate cable line and the Continent of Australia should be Thursday Island, near Cape York, in the Colony of Queensland."

"4. That the Colony of Queensland should forthwith proceed with the construction of a line of telegraph to connect their existing lines with Thursday Island."

The Conference.

“5. That any subsidy which may be required for the construction or maintenance of the ocean cable lines should be paid and borne by the several Australian Colonies, in amounts proportionate to their populations.”

“6. That the loss (if any) which may be sustained from time to time by the Government of South Australia in maintaining and working the line of telegraph between Port Augusta and Port Darwin, and by the Government of Queensland in maintaining and working the line of telegraph between Cardwell and Kimberley, and between Cardwell and the point of departure of the ocean cable, should be paid and borne by the several Australian Colonies in amounts proportionate to their populations.”

“7. That, in the event of the Colony of New Zealand uniting with the Colonies of Australia in the agreement embodied in the foregoing resolutions, the subsidy payable in respect of the cable connecting New Zealand and New South Wales shall be paid and borne by the several Australian Colonies, in amounts proportionate to their populations.”

The Council then adjourned until Saturday, the 27th instant, at half-past 10 o'clock.

JOHN ROBERTSON, Chairman.

SATURDAY, 27TH JANUARY, 1877.

The Conference having met at half-past 10 o'clock a.m., the minutes of the proceedings on the 25th instant were read and confirmed.

Sir Henry Ayers then proposed, and the Hon. Ebenezer Ward seconded, the following motion, which the Conference unanimously adopted, namely,—

“That the order of debate be the same as is observed in consideration of questions in a Committee of the whole House of Parliament, but that the Chairman have the same right as any other member of the Conference to take part in the discussion of all questions.”

The Hon. Charles Stuart Mein proposed, and the Hon. James Whyte seconded, the following motion, which the Conference agreed to, namely,—

“That in referring to the several colonies represented in any proceedings of the Conference, the names be placed in alphabetical order.”

The Hon. John Robertson (Chairman) laid before the Conference the under-mentioned papers, which were read by the Clerk, and ordered by the Conference to be printed, namely,—

1. *Précis* prepared by the Chairman of correspondence on the subject of a duplicate telegraph cable to connect the Australasian Colonies with the rest of the world.

2. A communication from the Commodore to His Excellency the Governor of New South Wales on the subject of—

(1.) Rewards for the arrest of deserters from the Navy.

(2.) Free telegraphic messages on naval service.

3. A report from the Eastern Extension Australasia and China Telegraph Company, dated 11th October, 1876.

4. A letter from J. E. Stewart, Secretary to the Victorian Humane Society, on the subject of life-saving apparatus at sea.

5. A letter from Captain Audley Coote, dated the 23rd January, and a supplementary letter, dated the 25th January, on the subject of a duplicate cable.

6. A letter from Messrs. Knevett and Taylor, on behalf of the Eastern Extension Australasia and China Telegraph Company, notifying that they are prepared to afford the Conference any information required.

The Hon. Alex. Stuart then proposed the motions of which notice was given on the 25th instant, and having moved the adoption of No. 1, viz.,—

“(1.) That it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication where necessary of the cables or lines connecting the same,”—

The Hon. Samuel Walker Griffith proposed that all the words after the word “is” in the first line be omitted, with a view to the insertion of the following words:—

“(1.) [That it is] in the opinion of this Conference essential that a complete duplicate system of telegraphic communication shall be forthwith established between Great Britain and the Australian Colonies.”

And the same having been fully discussed, the Chairman put the question, “That the words proposed to be omitted stand part of the question.”

Ayes.
New South Wales.
New Zealand.
South Australia.
Tasmania.
Victoria.

No.
Queensland.

The question was then put, “That the motion proposed by Mr. Stuart be adopted,” which was unanimously agreed to.

Sir Henry Ayers laid before the Conference two returns on the subject of—

(1.) Port Darwin telegraph line interruptions,

(2.) Cable interruptions,

—which were ordered to be printed; also a chart showing the telegraph line from Adelaide to Port Darwin, which was ordered to be lithographed and appended to the proceedings.

The Conference, on the motion of the Hon. Samuel Walker Griffith, seconded by the Hon. Charles Stuart Mein, directed—

“That the minutes of the proceedings of the Conference be printed confidentially, for the use of the members only, and that each day's proceedings be printed after being confirmed by the Conference.”

The Conference, shortly after 1 o'clock, adjourned until Monday, the 29th instant, at half-past 10 o'clock.

JOHN ROBERTSON, Chairman.

MONDAY, 29TH JANUARY, 1877.

[The Hon. Malcolm Fraser, representative of Western Australia, was present at this and each subsequent sitting.]

The Conference having met at half-past 10 o'clock, the minutes of the proceedings on the 27th instant were read and confirmed.

The Hon. Alex. Stuart then proposed the following motion:—

“That the subsidy on ocean cables to connect Australia with Europe be borne by the several Australian Colonies in proportion to population,” and the same having been discussed by the Conference, and verbally amended, was unanimously adopted.

The motion as passed is as follows:—

“That any subsidy on ocean cables to connect Australia with Europe, shall be borne by the several Australian Colonies assenting thereto, in proportion to population.”

The Hon. Alex. Stuart then proposed the following motion:—

“That the loss, if any, on colonial lines, to connect the cables with the main telegraphic system of each colony, shall in like manner be borne by all the colonies concerned.”

The Hon. R. S. Anderson then moved an amendment that after the word “lines,” the words “that it may be found necessary to construct” be inserted.

After discussion, the Conference unanimously agreed that the further consideration of the motion should be postponed until to-morrow.

The Hon. Alex. Stuart then moved that the motion (No. 4) on the paper should stand over until No. 3 shall have been disposed of.

The Hon. Samuel Walker Griffith then moved—

“That any duplicate system should be by a distinct route throughout from that now in use.”

After discussion, the Conference resolved to postpone the further consideration of the subject until the next meeting.

The Hon. Ebenezer Ward then gave notice of the following motion for to-morrow:—

“That this Conference approves of the construction of duplicate cables from Singapore to Banjoewangie, and from Banjoewangie to Port Darwin, and that it is advisable offers should be invited from persons or companies willing to construct and maintain such cables.”

The Hon. Malcolm Fraser gave notice of the following motion for to-morrow:—

“That any duplication of the present cables start from the north-west coast of Western Australia.”

The Council then adjourned at a quarter to 2 o'clock until next day, at half-past 10 o'clock.

JOHN ROBERTSON, Chairman.

TUESDAY, 30TH JANUARY, 1877.

The Conference having met at half-past 10 o'clock, the minutes of the proceedings on the 29th instant were read and confirmed.

The Hon. John F. Burns laid before the Conference a report from the Acting Superintendent of Telegraphs on the subject of a duplicate cable, which was read by the Secretary.

The consideration of the following resolution, moved by the Hon. Samuel Walker Griffith, was resumed, viz.,—

“That any duplicate system should be by a distinct route throughout from that now in use.”

And after discussion, the Conference, on the motion of the Hon. R. Ramsay, resolved to examine such of the professional and other gentlemen in attendance as they might consider to be necessary.

Messrs. Taylor, Knevitt, and Audley Coote were then separately examined. (*For Evidence see Appendix.*)

The Hon. Sir Henry Ayers, on behalf of the Hon. Ebenezer Ward, moved the resolution of which notice was given yesterday, as an amendment on the resolution of the Hon. Samuel Walker Griffith, That all the words after the word “that” be omitted, with the view to the insertion of the following words:—

“[That] this Conference approves of the construction of duplicate cables from Singapore to Banjoewangie, and from Banjoewangie to Port Darwin, and that it is advisable offers should be invited from persons or companies willing to construct and maintain such cables.”

The Hon. James Whyte moved as a further amendment,—

“That the further consideration of the resolution and amendment be postponed until resolution No. 3 (moved by the Hon. Alex. Stuart), and the amendment thereon (moved by the Hon. R. S. Anderson), shall have been disposed of.”

After discussion, the amendment proposed by the Hon. James Whyte was put and negatived on the following division:—

Ayes.
New Zealand.
Tasmania.
Western Australia.

Noes.
New South Wales.
Queensland.
South Australia.
Victoria.

The question was then put, That the words proposed to be omitted stand part of the question:—

Aye.
Queensland.

Noes.
New South Wales.
South Australia.
Victoria.

The Conference.

The Colonies of New Zealand, Tasmania, and Western Australia did not vote.

The Hon. Ebenezer Ward having obtained leave to amend his original motion, proposed that after the word "that," the following words be inserted:—

"[That] this Conference approves of the construction of a duplicate line from Singapore to Banjoewangie."

The Conference having fully discussed the subject, the motion was put by the Chairman, and negatived on the following division:—

| | |
|------------------|--------------------|
| <i>Ayes.</i> | <i>Noes.</i> |
| New South Wales. | New Zealand. |
| South Australia. | Queensland. |
| Victoria. | Tasmania. |
| | Western Australia. |

The Conference, on the motion of the Hon. Sir Henry Ayers, adjourned at a quarter-past 4 o'clock until next day, at half-past 10 a.m.

JOHN ROBERTSON, Chairman.

WEDNESDAY, 31ST JANUARY, 1877.

[The Hon. R. S. Anderson was not present at this or the subsequent meeting.]

The Conference having met at half-past 10 o'clock, the minutes of the proceedings on the 30th instant were read and confirmed.

The Hon. Malcolm Fraser then proposed the following resolution:—"That after the word 'That,' the following words be added, being the motion of which notice was given by him on the 29th instant:—

"[That] any duplicate of the present cables start from the north-west Coast of Western Australia," and that in addition thereto the following words be added: "provided it is shown that by such the best communication with Europe and Asia is secured, at a moderate cost as compared with other and alternative routes which have been advanced."

After discussion, the Hon. Malcolm Fraser, with the consent of the Conference, withdrew his resolution.

The Hon. R. Ramsay laid before the Conference a "Memorandum to Hugh George, Esq., General Manager of the *Argus*, on the subject of delays in transmission of cable telegrams, &c.," which, having been read, the Conference directed should be printed.

The Chairman also laid before the Conference a telegram from John Pender, Esq., Chairman of the Eastern Extension Telegraph Company, on the subject of a duplicate cable, which was ordered to be printed.

The Hon. S. W. Griffith proposed the insertion of the following words after the word "That"—"it is desirable that a submarine cable should be laid from Singapore to Cape York, in Queensland, the Government of that colony undertaking, in the event of such cable being made, to connect their existing land lines therewith."

The Chairman then put the question, "That the words proposed to be inserted be so inserted."

The Conference divided.

| | |
|--------------|--------------------|
| <i>Ayes.</i> | <i>Noes.</i> |
| Queensland. | New South Wales. |
| | New Zealand. |
| | South Australia. |
| | Victoria. |
| | Western Australia. |

Tasmania did not vote.

The Hon. G. McLean then proposed the resolutions (with certain alterations) of which notice was given yesterday, viz.,—

"That inasmuch as it has been decided that it is desirable to extend and improve the means of telegraphic communication between Australia and Europe by the duplication, where necessary, of the cables or lines connecting the same, and that the subsidy on ocean cables to connect Australia with Europe be borne by the several colonies assenting thereto in proportion to population,—

"(1.) The several Governments of South Australia, Queensland, and Western Australia be invited to open negotiations for the construction of cables connecting their several colonies with Singapore or Ceylon; and the Government of New Zealand for the construction of a cable from that colony to the United States of America."

"(2.) That, in negotiating for the construction of the last-mentioned cable, the Government of New Zealand enter into communication with the Government of the United States for the purpose of procuring their consent to contribute to the payment of any subsidy that may be payable in respect of the same; and further, that in all the negotiations of the several Governments the necessity of procuring a reduction of the present tariff rates be especially kept in view, the maximum rate being 6s. per word."

"(3.) That in the meantime the South Australian Government be requested on behalf of the several colonies to urge upon the Eastern Extension Telegraph Company the necessity of keeping a repairing steamer between Banjoewangie and Port Darwin, to repair any accident to that portion of cable."

After discussion, it was proposed and carried, on the following division,—

"That the further consideration of the resolutions be postponed until the Hon. Alex. Stuart's motion (No. 3), and the Hon. R. S. Anderson's amendment thereon, postponed on the 29th instant, should be disposed of:—

| | |
|------------------|--------------------|
| <i>Ayes.</i> | <i>Noes.</i> |
| New South Wales. | New Zealand. |
| Queensland. | Victoria. |
| South Australia. | Western Australia. |
| Tasmania. | |

The Conference resumed consideration of the motion and amendment referred to.

The Conference.

After discussion, the amendment proposed by the Hon. R. S. Anderson was put and negatived without division.

The motion to insert the word "competing" after the word "on" in the first line of Mr. Stuart's resolution was then put and carried.

The original motion, as amended, was then put and carried upon the following division:—

| <i>Ayes.</i> | <i>No.</i> |
|------------------|------------|
| New South Wales. | Tasmania. |
| Queensland. | |
| South Australia. | |

New Zealand, Victoria, and Western Australia did not vote.

The resolution, as amended and passed, will read as follows:—

"That the loss (if any) on competing colonial lines to connect the cables with the main telegraphic system should in like manner be borne by all the colonies concerned."

The Hon. Alex. Stuart, with permission of the Conference, withdrew motion No. 4.

The Hon. Samuel Walker Griffith, with permission of the Conference, withdrew the several notices of motion given by him on the 27th instant.

The Conference proceeded to the further discussion of the resolutions proposed by the Hon. G. McLean, and it having been decided to put them separately,—

No. 1 was proposed as amended, and agreed to.

No. 2 was proposed and agreed to.

No. 3 was proposed as amended, and agreed to (Western Australia refrained from voting).

The Hon. J. F. Burns proposed the following resolution, which the Conference unanimously adopted:—

"That the several colonies agree to allow the necessary official telegrams of Her Majesty's ships to pass over their respective lines free of charge."

The Hon. R. Ramsay gave notice of the following resolution:—

"That, having in view the serious annoyance and loss occasioned by the mutilation of messages in transmission through Java, the President of this Conference be requested, on behalf of the Australasian Colonies represented, to communicate with the Secretary of State, for the purpose of obtaining permission from the Government of Netherlands-India to employ English operators on the land lines in Java."

The Hon. Alex. Stuart gave notice of the following resolution:—

"That the Governments of South Australia and New South Wales be empowered to make arrangements with the Eastern Extension Telegraph Company for a reduction of message tariff to 6s. per word at a subsidy not exceeding £20,000 per annum, terminable at one year's notice; and that such subsidy be borne by the respective colonies in proportion to population; any colony being at liberty to withdraw on like notice."

The Hon. Ebenezer Ward gave notice of the following resolution:—

"That the Conference will proceed to the consideration of the mail services between the colonies and Great Britain, with the view of securing, if possible, united action in future arrangements."

The Hon. J. F. Burns laid before the Conference a letter from Eldred and Co., on behalf of the Netherlands-India S. N. Co., offering to run a steamer between Banjoewangie and Port Darwin, in the event of a break in the cable, which was ordered to be printed.

(The Conference adjourned at a quarter past 1 until 2 o'clock.)

On resuming, the Hon. R. Ramsay proposed the following resolution:—

"That having in view the serious annoyance and loss occasioned by the mutilation of messages in transmission through Java, the President of this Conference be requested, on behalf of the Australasian Colonies represented, to communicate with the Secretary of State, for the purpose of obtaining permission from the Government of Netherlands-India to employ English operators on the land lines in Java."

The Conference unanimously agreed to the same.

The Hon. Alexander Stuart proposed the following resolution:—

"That the Governments of South Australia and New South Wales be empowered to make arrangements with the Eastern Extension Telegraph Company for a reduction of message tariff to 6s. per word, at a subsidy not exceeding £20,000 per annum, terminable at one year's notice, and that such subsidy be borne by the respective colonies in proportion to population—any colony to be at liberty to withdraw on like notice."

After discussion, the Conference agreed to the resolution.

The Colonies of New South Wales, Queensland, South Australia, and Victoria voted for.

The Colonies of New Zealand, Tasmania, and Western Australia refrained from voting.

The Hon. Ebenezer Ward proposed the following resolution:—

"That the Conference will proceed to the consideration of the mail services between the colonies and Great Britain, with the view of securing, if possible, united action in future arrangements."

After discussion, the Hon. Charles Stuart Mein proposed that the further consideration of the resolution be postponed until Friday next, which the Conference agreed to.

The Chairman laid before the Conference a communication from M. Edward Nutt, Director of the Interior, Noumea, New Caledonia, on the subject of a mail service *via* Noumea to San Francisco, which, after being read, was ordered to be printed.

The Hon. Sir Henry Ayers then proposed that the Secretary be instructed to prepare a draft report for the consideration of the Conference, which was agreed to.

The Conference adjourned at a quarter to 4 o'clock until Friday next, at half-past 10.

JOHN ROBERTSON, Chairman.

The Conference.

FRIDAY, 2ND FEBRUARY, 1877.

The Conference having met at half-past 10 o'clock, the minutes of the proceedings on the 31st ultimo were read and confirmed.

The Conference resumed consideration of the motion of the Hon. Ebenezer Ward,—“That the Conference will proceed to the consideration of the mail services between the colonies and Great Britain, with the view of securing, if possible, united action in future arrangements.”

After considerable discussion, the Hon. Ebenezer Ward, with the consent of the Conference, withdrew his motion.

The Hon. Sir Henry Ayers, with the leave of the Conference, proposed the following resolution, which was unanimously adopted:—

“That the Government of Queensland and South Australia be requested to circulate among the respective Governments the draft Bills referred to in the resolutions of the Intercolonial Conference held in Sydney, passed on the 10th February, 1873, for removing the defects in the law relating to the extradition of criminals and the absconding of debtors, with a view to the same being submitted to the respective Legislatures as early as practicable.”

The following are the resolutions referred to:—

“That the present state of the law in regard to the extradition of criminals escaping from one colony into another is defective. That the Government of Queensland be requested to prepare a Bill on the subject, which the representatives of the several colonies undertake—provided it is approved by their respective Law Officers—to endeavour to pass into law.”

“That the present state of the law in regard to remedies to be had against absconding debtors is defective.”

“That the Government of South Australia be requested to prepare a Bill to remedy the defects, and, subject to the approval of their respective Law Officers, the members of this Conference will endeavour to procure the passing of a similar Bill in their respective Legislatures.”

The Hon. R. Ramsay, with the consent of the Conference, moved the following resolution, which was unanimously agreed to:—

“That in the opinion of the Conference it is desirable that a uniform telegraphic code should be adopted by the several Australasian Colonies.”

The report of the proceedings of the Conference having been carefully considered and amended in certain particulars, was finally adopted.

On the motion of the Hon. Charles Stuart Mein, the following resolutions were unanimously passed by the Conference:—

“1. That the thanks of the Conference be given to the Hon. John Robertson for the valuable services rendered by him as Chairman of the Conference.”

“2. That the Chairman be requested to convey the thanks of the Conference to Alexander C. Budge, Esq., for the efficient services rendered by him as Secretary to the Conference.”

The Conference then adjourned *sine die*.

JOHN ROBERTSON, Chairman.

DOCUMENTS.

[The following were amongst the documents laid before the Conference.]

PROPOSALS for a DUPLICATE TELEGRAPH CABLE to connect the Australasian Colonies with the rest of the World.

The Colonial Secretary's letter on this subject was addressed to Victoria, Queensland, Tasmania, New Zealand, and South Australia. The following are the four routes indicated in it:—

1. Sydney to New Zealand, thence by the Sandwich Islands to San Francisco.
2. From Normanton by cable, the line ultimately taking the same course as 3 and 4.
3. From Port Darwin by cable, by the side of present cable, passing by land through Sumatra and *via* Malacca, instead of by cable to Singapore.
4. From Port Darwin by cable, touching at Copang.

The French Consul's letter concerning the co-operation of New Caledonia was communicated to the same colonies.

There is a letter from Mr. Audley Coote, dated 5th June, in which he suggests three routes as preferable, for certain reasons, to those above mentioned—two of them by way of North-West Cape (Western Australia) and Singapore; the third by Perth and Ceylon.

This project of taking the line by way of Western Australia is also set forth in a letter from Mr. J. Hogan to the Postmaster General. It also finds favour with Sir Julius Vogel and with the Governments of Western Australia and South Australia.

From all the colonies replies have been received to Mr. Robertson's letter.

The Chief Secretary of Victoria says that the matter shall receive the earnest attention of his Government.

South Australia could not entertain 1 or 2, as too costly. It would be most advantageous to adopt 3 or 4, the selection being left to the Eastern Extension Telegraph Company; but if line be taken through Java, the Company must have an independent land wire. But two other routes are suggested as worthy of consideration—(a) from North-West Cape, or Roeburne, by Java to Singapore; (b) from the west coast direct to Galle. A duplicate cable from Port Darwin would, however, be the readiest and cheapest. In any circumstances they ought not to be required to contribute to the cable subsidy. The overland telegraph line ought to be regarded as an intercolonial undertaking, and the cost should be borne by the colonies using it. The Eastern Extension Telegraph Company ought to be required to keep a steamer always near Port Darwin, and a continued interruption for a given time should entail deductions from the subsidy.

As to Queensland, the Postmaster-General stated that she was prepared to contribute to a subsidy ^{The Conference.} for a cable from Kimberley (Norman Mouth) to Singapore, contributions being based on population. Telegram of 26th June says that without defined propositions from the other colonies she cannot at present do anything.

The Colonial Secretary of New Zealand sends copies of a memorandum of the Commissioner of Telegraphs (Sir Julius Vogel). He is in favour of a cable from the West Coast, and proposes three lines, which are the same as those suggested by Mr. Audley Coote. (See above.) There are so many details that correspondence will not settle the matter; and for this reason, as well as for the discussion of many questions connected with cable communication, a Conference is desirable. With regard to Mr. Coote, Sir Julius Vogel points out that "his principals were not willing or not able to carry out the arrangements he formerly made."

From Tasmania there is only an acknowledgment.

Western Australia (not addressed by Mr. Robertson) sends a copy of a letter sent to New Zealand (in continuation of correspondence between the two colonies), enclosing a minute of Executive Council on Sir Julius Vogel's memo. already mentioned. The colony is favourable to the holding of a Conference, at which it is thought the Government of India ought to be represented. She is in favour of a cable from her west coast to Ceylon by way of the Cocos Islands. 20th July, 1876.

Later correspondence on this subject is noted below.

Mr. Cracknell, in his telegram of 9th September, from London, expresses the opinion that the cheapest and only necessary (for the present) duplication is one between Singapore and Banjoewangie. He thinks that later a cable might be laid from Banjoewangie to North-West Cape. (See his letter of 29th September, 1876.)

The Secretary of State sends a communication from the Chairman of the Eastern Extension Telegraph Company setting forth a proposal for a cable from Penang to Rangoon, as supplementary to the line from Madras to Penang.

Mr. Audley Coote gives the Governments the choice of several projects so far as concerns terms; a guarantee of interest, a subsidy, or the direct purchase of a cable.

The Consul of France sends a letter from the Governor of New Caledonia, with enclosure, setting forth the advantages of a line of telegraph between Australia and America. This is a project which is admitted to be too expensive without the assistance of the United States.

The Agent-General encloses a communication from the Chairman of the Eastern Extension Telegraph Company. That Company being made aware of the correspondence that had passed in Australia, had considered the subject, and now desired to offer certain proposals, which are set forth at length in the printed paper. They have in view two routes—one from Port Darwin to Banjoewangie, the other from North-West Cape to the same place—with a direct cable between Banjoewangie and Singapore. The cost would be for these respective lines £540,000 and £500,000, and on either amount the Company would require a subsidy of 6 per cent., and 3 per cent. for a reserve fund for repairing and replacing the cable. The annual payments would be thus for the respective routes £48,600 and £45,000.

JOHN ROBERTSON.

5th January, 1876.

Commodore HOSKINS to His Excellency the GOVERNOR, on subject of Rewards for Apprehension of Deserters from the Navy, and Free Telegraph Messages on Naval Service.

SIR,— H.M. Ship "Wolverene," at Sydney, 23rd January, 1877.

The approaching Intercolonial Conference about to assemble here at your suggestion appears to me to afford an opportunity of arriving at an harmonious arrangement respecting two matters affecting our naval interests; and I would ask your Excellency, should you see no objection thereto, to direct the attention of the Conference to them.

The first is the payment of a reward of five pounds by the Governments of the several colonies for the apprehension of deserters from the Navy, as a stimulus to activity on the part of the police. The second is the payment for telegrams on purely naval service matters.

2. With respect to the first, the Government of New Zealand has for many years made such a payment, and with the best result; and though the practice has been suspended of late in the Australian Colonies, the order to make them appears never to have been rescinded, and I have received from yourself and the Governors of Victoria and Tasmania an intimation that your Governments are willing to renew it.

3. I attach great importance to it, as I have already explained to your Excellency in my letters of the 16th August and 21st November, 1876, as one means of checking the great loss of men by desertion, which our ships now suffer on this station, a loss which bears hardly on our resources in men at Home, and which must prevent not only an increase to the Force now on the station, but also any hopes of visits from the squadron which is kept up for the purpose of instruction and of periodically visiting our foreign stations.

4. With respect to the telegraph question, it seems so obvious that the necessary official telegrams of a squadron maintained here for the benefit and protection of the colonies should pass, like their own official telegrams, free of charge, that I am sure it is only necessary that it should be mentioned for the concession to be made; and I only consider it desirable to bring it forward in order to have the principle authoritatively established and recorded with the general consent of the colonies.

I have, &c.,

A. H. HOSKINS,
Commodore.

Telegram from JOHN PENDER, Esq., M.P., on the subject of Duplication of Telegraphic Cables. THE Conference being about to meet, we have instructed our agents, Messrs. Taylor and Knevet, to place themselves at your disposal, and in the event of you wishing to communicate direct with Com-

The Conference. pany our telegraphic system is at your service free of charge. We shall be happy to telegraph you every information you may desire, being anxious to meet wishes and give every facility for carrying out object of Conference. With respect to route for duplicate cable, we find that from North-West Cape to Galle full of danger, repairs in deep water almost impossible on account of prevailing trade-winds.

The President, Telegraphic Conference, Sydney.

JOHN PENDER.

Memorandum for HUGH GEORGE, Esq., General Manager, the *Argus*.

As a Conference of representatives from the several colonies is about to assemble in Sydney for the discussion of telegraph cable matters, I accept this as a favourable opportunity of bringing under your notice the various complaints which have from time to time arisen, and continue to arise, in connection with the cable messages received by the *Argus* on behalf of the Associated Press. These complaints are principally delays in transmission, the absence of official information as to interruptions on the lines, and the mutilation of messages; and with these I propose to deal singly.

The *Argus* is the only newspaper receiving Press telegrams of public news through the cable, and, as representing the Associated Press, all such messages addressed to the the *Argus* are distributed over the whole Press in Victoria, New South Wales, South Australia, Queensland, Tasmania, and New Zealand.

Delays in Transmission.

From some cause, at present not sufficiently traceable, the *Argus* messages from Singapore and London have not latterly been transmitted over the lines with that despatch formerly employed, and the consequence is that the messages bearing early dates at either or both of these points of departure seldom reach their destination until a very late hour of the night, which, apart from being highly inconvenient, causes the loss of valuable news to a large section of the country Press in all the colonies. Not unfrequently we obtain advice of a batch of cable messages "coming," and often have to wait an hour or even two before they actually arrive. In such case the delay must rest with the Telegraph Department of South Australia.

Notice of Interruptions.

We have very frequently had to complain of the absence of all information in regard to interruptions, whether on the cable or land line; and it has very often happened that until the repairs are effected no official information has been given that any interruption has taken place. A number of country stations are nightly kept on hand, in anticipation of cable news, and cannot be released from duty until some notification is received from Adelaide, and therefore early intimation of interruptions on the lines would save much loss of time, trouble, and expense. To the reading public, too, who follow the progress of events in Europe from day to day, some explanation should be afforded for the non-appearance of cable intelligence. If the general rule was followed to give priority to Press messages after those of the Government, much inconvenience, I think, would be obviated, and much loss of time saved, as at present, hours are frequently wasted to no purpose. Mr. Todd, in a letter under date 10th January, 1875, and addressed to you, says, "This office (South Australia) shall be advised if there is no message for your newspaper, which advice will be at once repeated to the Melbourne office." This, I regret to say, has not been acted upon.

The Mutilation of Messages.

The messages addressed to the *Argus* are seldom, if ever, correctly interpreted, and the wording is so terribly mutilated in the course of transmission as to render their deciphering an operation of the utmost difficulty. Thus, it often happens that we find different interpretations of the same messages given in all the colonies, owing, in a great measure, to so much being left to mere guess work. This mutilation is said to have its origin in Java, where the messages pass through the hands of Dutch operators, and this statement is to a great extent confirmed from the fact that nearly all the "repeats of corrections" come from Batavia. The majority of our messages containing general news are sent from Singapore, and it can scarcely be credited that the telegrams could be received in Java from Singapore, through only a short line of cable, in such a state as we invariably receive them. Although there is some slight difference between the alphabets adopted on the cable and land lines, the errors that would be thereby caused are so simple and few that they could, as a rule, be easily detected. If each newspaper had to find its own interpretation of the originals the results would be simply absurd. The effect of these mutilations is obvious, and as an illustration I append a few specimens of some of the messages received only during the last month, and the sample affords a very fair specimen of the bulk:—

"Singapore (no date).

"Depetris declared Italy cannot abandon Treaty Paris. All esays approval, all refrentum. Gratnffs proposal despolderes approving their decisions. Kabinck defered resolution occupation Bulgaria pending reference Queen. Propose 6,000 Belgians occupy. Disraelig Fortress Belgrade fired Australian monitor."

"Singapore, 15th Dec.

"French Ministry remodelled. Simon, Premier. Interior, Martha, Justice. Others remain. This serimous conflict M'Mahon left indeed."

"Singapore, 6th December.

"Kistmaryk Reichstach Russia seekn not great conquests, asks Ris only cooperan conference amelooran Christian's triple alliance subsists, Germany's friendship, England equally traditional, believed difference England and Russia be arranged, Germany's task medcate Powers lokalize war, if efforts fudle, cannot conjecture future."

In other messages "special" was given in place of "speech," at the commencement of a message; *The Conference.* "Pow" for population, "collander" for commander, "mountin" for maintain, "revny" for recently; and other errors too numerous to mention.

But such extraordinary contortions often serve to destroy the whole meaning of a sentence. For instance, the word "Costi," in a message relating to the Eastern Question, was quite unintelligible, and had to be omitted. These instances could be multiplied to any extent, and are sometimes most aggravating as well as perplexing. The word "Powers" for "Porte" entirely subverted the whole meaning of a message.

15th January, 1877.

EUGENE C. AMSINCK, R.A.P.

MINUTES OF EVIDENCE.

TUESDAY, 30TH JANUARY, 1877.

PRESENT :—

| | |
|----------------------------|-----------------------------------------------------------------------------|
| <i>New South Wales :</i> | The Hon. JOHN ROBERTSON. The Hon. ALEX. STUART. The Hon. J. F. BURNS. |
| <i>New Zealand :</i> | The Hon. G. McLEAN. |
| <i>Queensland :</i> | The Hon. SAMUEL WALKER GRIFFITH. The Hon. CHARLES STUART MEIN. |
| <i>South Australia :</i> | The Hon. SIR HENRY AYERS, K.C.M.G. The Hon. EBENEZER WARD. |
| <i>Tasmania :</i> | The Hon. JAMES WHYTE. |
| <i>Victoria :</i> | The Hon. R. S. ANDERSON. The Hon. R. RAMSAY. |
| <i>Western Australia :</i> | The Hon. MALCOLM FRASER. |

The Hon. JOHN ROBERTSON, Colonial Secretary, New South Wales, in the Chair.

Mr. WILLIAM GREGOR TAYLOR, Superintendent and Electrician in charge of New Zealand Cable, called in and examined :—

1. *Sir Henry Ayers.*] Will you have the goodness, Mr. Taylor, to inform the Conference what is your opinion of the relative value of a cable to be laid from Singapore to Thursday Island, near Cape York, and one from Singapore, south of the present line to a point somewhere near Port Darwin?—Do you mean that it should pass through the Strait of Sunda?

2. My object is to obtain your opinion of the relative value of the two routes, the one coming to Port Darwin by Banjoewangie, and the other to Thursday Island?—I should say very strongly that a line coming to Port Darwin would be the most favourable; first, as being shorter, and because the line south of Singapore is now in fair order. There is a fair sea approaching Banjoewangie, and from Banjoewangie to Port Darwin the cable is in good order now. The greater portion of the first section is in deep water, and from Banjoewangie to Port Darwin the sea is well known and has been surveyed; whereas a line from Singapore south of Macassar to Thursday Island would be too long a section to be worked in one piece. The sea to the south of Borneo and Macassar has a very coralline bottom with shallow water, and would be unfavourable for a cable.

3. *Mr. Burns.*] What would be the difference in point of expense?—I am not prepared to answer that now.

4. Can you give us the difference in the matter of distance?—I suppose about 800 miles.

5. *Sir Henry Ayers.*] Which line in your opinion would be the best as a duplicate line to Singapore, having regard both to the longevity of the cable and the cost of construction and maintenance?—A line from Singapore to Banjoewangie and Port Darwin would be the best of any line that could connect these two points, for the simple reason that any other line in any other direction must be in a coralline sea with shallow water, and through seas imperfectly surveyed.

6. Have you any knowledge of the sea between Banjoewangie and the North-West Cape?—None whatever. There have never been any surveys there.

7. *Mr. Fraser.*] The distance from Nicol Bay to Banjoewangie is about 800 knots?—I think it is more than that.

8. *Mr. Mein.*] Have you any practical knowledge of the waters you have referred to?—Yes; five years ago I was electrician with the contractors, and was on board their ships while the cable was being laid, and last year I was sent in the steamer "Edinburgh" in charge of the work of repairing the cable by the Eastern Extension Company.

9. And you have naturally directed your attention to that route?—Yes.

10. So that you are not competent to pass an opinion on the other route, not having examined it?—I feel that I may form an opinion on the subject from the soundings that are given on the chart, from the surveys that have been made, and from my general knowledge of the nature of the seas among these islands. I have given my opinion from the observations I have made and from my general knowledge.

11. *Mr. Ramsay.*] I believe you were engaged in repairing a portion of the cable on the occasion of the last break?—Yes, we were engaged in repairing it from the 1st April to the 7th August.

12. From the experience you have gained during that time, from the improvements effected, and from what you have seen of its working, do you think the present cable is likely to be durable?—Yes, I think it is likely to last much longer without interruption than it has hitherto done. It is less likely to be injured by abrasion from the rocks, which was the cause of the break in April last, which occurred in shallow water. We have now reversed the cable and laid it in the deepest water available, and out of the reach of the coralline reefs. The present cable is a better one than the last,

The Conference. it is well laid down, and we have taken various soundings, which show that it is on a better bottom. I think, therefore, it will last certainly more than five years before it breaks from abrasion; there may be other sources of injury, but that was the cause of its breakage last time.

13. In the event of a second cable being laid from Port Darwin, do you think a better line of route than the present could be found?—I do not think it is likely that a better route could be found. The line could not vary much—it must in any case be parallel to the present line.

14. Would it not be better to keep to the north of these islands, Timor, Sumba, and Baly?—I think not, from the fact that even now changes are frequently occurring among them from subterranean disturbances. Besides, the line would be longer, as it would have to wind through several groups of islands, a number of which are active volcanoes, where the water would be shallow, and there would be greater danger of injury to the cable.

15. I believe you have charge of the New Zealand cable?—Yes, of the whole cable.

16. Is that the same quality of cable as that which you would undertake to lay down to Port Darwin?—Yes, it is the same weight and make, and capacity of carriage.

17. How long has that cable worked?—Eleven months, and it is as sound as when it was laid down, and in better electrical condition.

18. A cable has better carrying capacity in deep water, has it not?—Yes.

19. *Mr. Burns.*] I suppose there are no means of avoiding coralline rocks in these seas?—No; the best line for the cable has been selected. There is a coralline sea near the coast of Western Australia, and so little is known of it that it requires to be surveyed.

20. *Mr. Anderson.*] Does not the quality of the sea for laying down a cable—that is to say, the character of the bottom—improve as you go farther westward?—I should think it must, because the water is deeper, and there is likely to be a softer bottom.

21. Then no survey of this sea was made before you commenced to lay the Port Darwin cable?—Yes; a series of observations had been made as far east as Rotti Island by the Dutch Government, and there were existing Admiralty surveys.

22. Was that done before the contract was taken to lay the cable?—I think so; the observations were taken, I believe, when the line was first projected, when the several routes were discussed, but I could not be certain.

23. *Mr. Ramsay.*] Have you considered the route from Western Australia to the Keeling Islands and thence to Ceylon?—Yes; I considered it when I read Mr. Robertson's circular letter.

24. What is your opinion of that route?—I think it would be a very long and a very expensive route.

25. *Mr. Fraser.*] Considering that the coast line from Western Australia would be 200 miles shorter than the other, taking one at 1,099 miles and the other at 900, and taking into consideration the fact that the route starting from Shark's Bay would be in deep water almost immediately from the coast, and would be, as we have every reason to believe, free from obstructing reefs, which line do you consider would be the most economical—that from Western Australia, or the line from Banjoewangie to Port Darwin; the only alternative being a line from some point on the north-west coast of Australia to Java and Batavia. Which line do you think would be the most economical in construction, the easiest to maintain in repair, and the most secure?—The shortest line, as it would effect a saving of 200 miles, would be more economical, and more easily worked. The maintenance would be the same in each case, as far as the length of cable is concerned. The shortest line would also possess the greatest advantages for communication.

26. But the line from the north-west coast of Australia to Java and Batavia would possess one great advantage—it would do away with all interference from the Dutch line at Java, and there would then be two lines of cable entirely in the hands of London proprietaries: there would be that advantage. I am not aware of the exact distance from the north-west coast of Australia to Batavia; do you know?—It is, I believe, 1,148 miles.

27. Eleven hundred and forty-eight miles from the north-west coast of Australia to Batavia, and 1,099 miles from Port Darwin to Banjoewangie?—Yes, I believe those are the distances shown on the charts.

28. *Mr. Griffith.*] Do you know anything of the seas extending from Copang to the Gulf of Carpentaria and its shores?—Yes, from having sailed over them, and from the charts.

29. Have they all been well sounded?—Yes, well sounded.

30. What sort of sea is it south of Timor going eastward?—From Timor for about 200 miles it contains coral reefs; after that there is a very good bottom, sand and mud all the way.

31. The 200 miles of coralline sea is open to the same objection which applies to the present route?—Yes, there is a coral bank along it.

32. And beyond that you think there is a good bottom?—Yes.

33. As far as Normanton?—Yes.

34. Supposing a line were made from Timor to Copang and to Queensland, then that would be the best route?—Yes, that would be the best water for a cable.

35. What is the sea like between Copang and Banjoewangie?—For some distance from Timor it would be necessary to go through a series of very small islands, where the bottom is rocky.

36. Is not that route very much the same as that adopted for the present cable?—Yes.

37. And the same kind of sea?—Yes, except near Copang, where the line would be adjacent to land for some distance off the north-west corner of Timor.

38. Is the difference in the bed of the sea appreciable between that and the present route—I am speaking of the route from Copang to Banjoewangie?—No, there is not much difference; if anything it is in favour of the present route; the other would bring the cable into shallower water.

39. *Mr. Fraser.*] I suppose if a line were laid from the north-west coast of Australia to Ceylon, by way of the Keeling Islands, it would be laid down in two parts; that would be more convenient than the direct route?—Yes.

40. Of the two lines—by Banjoewangi to Java, and the direct line from the North-west Cape to The Conference. Batavia, which do you think would possess the greatest advantages for good working?—So little is known of the ocean bed between the north-west coast of Australia and the westerly point of Java that I could hardly tell you.

41. I suppose you are aware that the heavy currents on the north-west coast only extend a certain distance from the land, and do not come within the direct line. That would be an advantage, as the cable would be less liable to injury?—There would not be much fear of injury to the cable, when it was once laid; on a soft bottom it would be comparatively free from danger.

42. Is there a soft bottom between Port Darwin and Banjoewangie?—It is some distance from it. You have the same coral reef bank, then you get into deep water, which lasts until you approach Banjoewangie, when the water shallows again.

43. I see it is said here (referring to papers), “With regard to the duration of cables no actual experience exists, nor indeed will it be found uniform, as it must depend upon the surroundings in each individual case. In the experience of the cable between Singapore and Australia, passing as it does through shallow and warm seas teeming with animal life, and judging from the experience we have had of the damage to which our present cable is exposed to attack from insects, it is considered fair to estimate the duration of a cable in these seas at about fifteen years.” I merely quote that to ask if you can give any opinion as to whether the conditions of the cable would be better if it were laid farther to the westward, away from the coral line reef, which, I am given to understand, is destructive to it?—From the appearance of the sea farther to the westward, I should say the water was deeper and quieter.

44. I have been informed that the water is much deeper and altogether free from coral reefs. Well, the route from Batavia to North-West Cape would be better for the cable, as it would last longer lying in deep water and on a soft bottom?—Yes.

45. *Mr. Stuart.*] That is, if the water is deeper; but you know nothing of it?—No.

46. *Mr. Griffith.*] Supposing you proceeded to lay down a duplicate line from Banjoewangie to Port Darwin, how far would that line be from the present cable?—About twenty miles south of the present cable.

47. Would that be a sufficient distance to enable you to distinguish between the two lines in case of repairs being necessary?—Yes, I think I am safe in saying it would be quite sufficient. There are four cables across the Atlantic joining the same points.

48. Would there not be danger, if there were two lines laid down on the same route, of taking up a sound cable instead of a broken one?—No, the lines would be too far apart for that. No such danger is apprehended in connection with these Atlantic cables all belonging to one company. There are also two between Malta and Alexandria, two in the Red Sea, besides a duplicate now being laid between Aden and Bombay.

49. Your Company depend upon cables all the way from Australia to London, do they not?—Yes, except across Java and India.

50. Supposing one of your cables broke, you have only a single line from Singapore to England?—From Bombay to England the line belongs to the Eastern Telegraph Company, who work amicably with us, and the lines are double from Aden to England; the double line is not quite finished from Bombay to Aden.

51. But in the event of interruption is there any other route?—Yes, the Indo-European lines are available.

52. *Mr. McLean.*] If your line fail, will they send a message for you by arrangement.—Yes.

53. Then you have to depend upon other companies?—Yes, companies with which we have a mutual working arrangement.

54. *Mr. Fraser.*] I understood you then to say that the Eastern Extension Company works co-operatively with the Eastern Company?—Yes.

55. And that the Eastern Company work entirely with cables which go from Plymouth, Alexandria, Aden, and Bombay?—Yes.

56. And that this Company's cables have been duplicated between Aden and England, and are being doubled between Aden and Bombay?—Yes.

57. So that when this line is completed there will be a complete double communication from Singapore to England by cable?—Yes, when a line projected from Penang to Rangoon is laid.

58. If it is carried out?—Yes.

59. Then the chances of a complete stoppage are very remote?—Yes.

60. And supposing a line were brought from Singapore to the North-West Cape, that would of course effect a communication with the same system of telegraph lines, and there would be two distinct lines of communication right through?—Right through from Australia to Europe.

61. *Mr. Griffith.*] Are submarine cables liable to interruption from other causes than by abrasion by rocks?—Yes, from a small flexible insect, known as teredo, which is said to bore into the gutta-percha.

62. Are they liable to disturbing influences from electric causes—from thunderstorms?—No.

63. Or from volcanic influences?—No, from nothing of the sort, as far as my experience goes.

64. Has volcanic action in the vicinity of a cable ever been known to affect it?—Not that I am aware of.

65. *Mr. Stuart.*] Are you a practical telegraphist?—Yes.

66. I mean specially in respect to construction?—Yes, I have been engaged in the construction of the Atlantic cable. I was for some years in the service of the Construction Company who made the Atlantic and all the eastern cables, and afterwards was engaged in similar work for the Eastern Company. My position here is that of Superintendent in charge of the New Zealand section of the Eastern Extension Company's cable.

67. *Mr. Ramsay.*] Another route has been mentioned in Melbourne and submitted to the Chamber of Commerce there—from West Australia to the Mauritius; have you considered that route?—Yes;

The Conference. I have seen plans of it, but I think it is impracticable ; it is too long a section to work with any degree of accuracy ; it is about 3,000 miles.

68. *Mr. Anderson.*] That is not longer than some of the American cables?—The longest section of American cable is under 2,400 miles, from Brest in France to St. Pierre in the Gulf of St. Lawrence.

69. *Mr. Ramsay.*] Are you aware of any action that has been initiated for the establishment of a line of telegraph between the Mauritius and Aden?—I am not. I know it was spoken of some time ago.

70. Is there any immediate probability of its construction?—I think not.

71. *Mr. Fraser.*] I have heard that in the Cape Colony a motion has been set on foot to obtain direct communication between the Cape and St. Helena and Ascension Islands?—It was discussed about three years ago, but I have heard nothing of it since. They were anxious for it at that time, and applied to the Home Government to assist them, but that was refused, and the matter fell through.

72. And a further extension from the Cape to the Mauritius was included in the proposal?—Yes.

73. In such a case a line from West Australia to the Mauritius would secure complete communication to Europe *viâ* the Cape, apart from the line to these islands?—Yes, if that line were constructed.

74. Are you of opinion that it would be practicable to carry out that line?—It would be most difficult.

75. It is not longer than from America to England?—Yes, it is ; 1,800 miles is the greatest length of cable from America to British shores—from Valentia to Trinity Bay, Newfoundland.

76. And you are distinctly of opinion that a continuous line of 3,000 miles would be impracticable with present appliances?—Not impracticable, but difficult.

77. *Mr. Burns.*] You would not rely upon the working of a line of that length? No ; it would be more difficult to work and more expensive ; it would be much better to be interrupted at some point.

78. *Mr. McLean.*] Have you any knowledge of the working of the present line, from Singapore to Banjoewangie?—Yes.

79. Which is the worst portion of that line?—The Dutch line from Batavia to Banjoewangie.

80. That would be entirely avoided by laying a cable from Singapore to Banjoewangie?—Yes.

81. Do you apprehend any difficulty in laying down a line from those points?—No.

82. What appliances have you at present for repairing the cable in case of a break between these points?—A vessel fully equipped for cable work is always laying at Singapore when not required elsewhere.

83. Would not the same appliances be more effective for repairs on a double line than on a single line?—No, they would be equally available.

84. Would not the shorter distances from point to point render them more effective for repairing?—No, because the vessel steams to a certain point marked on the chart where the repair is effected.

85. *Mr. Mein.*] Would your Company have any difficulty in establishing a line between Sourabaya and Copang and Torres Straits?—I presume not ; the only difficulty would be that it would be liable to interruption.

86. That difficulty would apply to both sections?—Yes.

87. Would there be any difficulty first in constructing and then in maintaining in working order a line between those points?—No, I do not see any difficulty.

88. And the appliances you possess for repairs would be as effective and convenient for that line as for any other?—Yes, except that there might be more work for one vessel.

89. *Mr. Ramsay.*] What better provision have you now for keeping the present line in working order than you had when the last breakage occurred?—None ; we have just the same provision—two vessels.

90. How long was the cable out of use at that time?—From April 24th to August 7th, which was a most unfortunate period, as at that time there were three sections of the Company's cables down.

91. I wish to know whether you are in a better position now for keeping the line in good working order than you were then?—No ; we are exactly in the same position that we were in a year ago when the last break occurred.

92. Then the same thing might occur again at any time, and communication be interrupted for three or four months?—Yes ; it is possible, certainly.

93. *Mr. Griffith.*] Do you know how far apart from each other are the Atlantic cables belonging to the same Company?—No, I do not.

94. What would be the cost of keeping an extra vessel at Port Darwin, besides the one at Singapore?—The "Edinburgh" when in port costs us about £500 a month for crew and port charges, with the cost of additional hands when she goes to sea ; and then there is a percentage on the value of the policy of insurance.

95. What is your own opinion—that it would be cheaper to keep a second vessel at Port Darwin, or to subsidize another line?—That would depend upon whether the vessel was frequently required at sea. The expenses in port would be £6,000 a year, but it would be more when she went out to sea.

96. What would be the additional cost of each trip?—That would depend entirely upon the length of the trip.

97. What would be the cost of a cable from Banjoewangie to Port Darwin?—I am not empowered to make any estimate beyond the figures given in our Chairman's circular.

98. The cost of the ship stationed at Singapore, you say, is £500 a month? Yes, about that when lying in port ; I cannot give you a very close estimate.

Mr. SAMUEL KNEVETT, Agent for Eastern Extension Telegraph Company, called in and examined :—

99. *Mr. Fraser.*] I wish to know, Mr. Knevett, if you can give me any information with reference to a proposition submitted I believe by your Company. Mr. Barlee, who was Colonial Secretary in Western Australia, writing to Governor Robinson, says :—"With the Chairman of the Eastern

Extension Company, and with Colonel Glover, R.E., the Managing Director, I have had interviews, and The Conference. I am in a position to say that a scheme in every way beneficial to Western Australia will in the course of a few days be submitted by the Company. That scheme is roughly as follows:—To lay one cable from Singapore to Banjoewangie, and a second from thence to the North-West Cape in Western Australia. These cables to be worked by the present staff of the Company, and with no foreign interference in the transmission of messages. The cost of these cables is estimated at £400,000, and the Company argue with some reason that, as the business transacted by the cables now in operation is not sufficient to keep the staff at work more than two hours a day, and does not pay, it is only reasonable that if the Australian Colonies insist on the luxury of a second cable they should contribute towards the cost of it. It is therefore proposed that the interest on £400,000 to be raised in England should be guaranteed by the Australian Colonies, with such addition as may be needed for a sinking fund for (say) a period of fifteen years. The Company could not raise this money in England (so they say) on their own responsibility under 6 per cent., but I pointed out that if the colonies are asked to guarantee the interest, that guarantee would insure the raising the money at 4 per cent. Assume that £30,000 per annum be required, such sum divided among the several colonies in proportion to their population would be no heavy burden on any colony, and would certainly fall lightly on Western Australia. The Company contemplate that the cables could be ready for work at the expiration of one year from the date on which a contract was signed." I have read that letter with the object of asking you whether the Company have accepted the proposition. I want to learn if possible whether this proposal has been put in definite form?—I think not. Colonel Glover told me he had seen Mr. Barlee, but I think nothing came of it, except the proposition which the Company had already made to lay down a cable for £540,000.

100. This letter is dated 31st August, 1876?—Yes, but since then there has been Mr. Pender's memorandum on the subject.

101. But nothing further on these two points?—Nothing.

102. *Mr. Ward.*] Do you know anything personally of the working of the cable to Singapore?—No?

Captain AUDLEY COOTE, representative of Messrs. Siemens Brothers and of the Indo-Australian Telegraph Company, called in and examined:—

103. *Mr. Mein.*] I believe, Captain Coote, you are the representative of a Company interested in the establishment of telegraphic communication between Europe and the colonies?—Yes, the Indo-Australian Telegraph Company.

104. Have you directed your attention to duplicate telegraph communication between Singapore and the colonies?—I have.

105. Have you considered the practicability of the different routes?—Yes.

106. What direction have your inquiries taken?—Chiefly from the shores of Queensland to Singapore.

107. In what way?—In interesting myself in the soundings, and in having always thought it to be the best route to take for a duplicate cable to connect Australia with Europe, provided it did not go up as far as Celebes.

108. Have the seas there been sufficiently explored to enable you to say authoritatively whether a line constructed there would be practicable?—Yes.

109. In what direction?—Keeping south of Timor, starting from a point in Queensland, either Normanton or Cape York, touching at Timor, and going through this passage [*indicating localities on map*], known as the Strait of Lombok to Singapore, between the Island of Borneo and Bilton Island. Captain Nares, of H.M.S. "Challenger," informed me that the line shown on the map as a dotted line would pass over an exceedingly deep and uneven bottom, caused by the waters falling into a deep gutter, and it is chiefly on that account I have suggested that the route south of Timor should be adopted.

110. *The Chairman.*] Supposing a line were taken from Port Darwin, it might go south of Timor?—Yes.

111. Therefore, the same line might be taken from Port Darwin that you would take from Normanton?—Just the same.

112. And what difference would there be in the length and value of the cable?—About 700 miles. A line starting from Cape York would be about 550 miles longer than from Port Darwin.

113. But what I want to find out is whether, for the purpose of laying down a line, there is anything in favour of Normanton, in Queensland, as against Port Darwin?—Yes, there would be this advantage: we should keep away from a well-known coral bank and a well-known current, both of which would be injurious to the cable, and great care would have to be taken to keep to the north of that current in touching at Timor.

114. *Mr. Mein.*] That current is likely to act injuriously to the cable?—Yes.

115. *Mr. Griffith.*] And you get a better route by Banjoewangie or Sourabaya, south of Timor?—Yes, we keep clear of the well-known coral bank and two well-known currents.

116. *Mr. Mein.*] Would the northern routes be quite out of those currents?—Yes.

117. What authority have you from your Company—have you authority to enter into new contracts?—Yes.

118. Subject to their approval?—I have authority to make a binding contract.

119. *Mr. Griffith.*] Was that letter to Mr. Robertson written in accordance with the instructions of your Company?—Yes.

120. And the terms therein specified are the terms for which they are willing to do the work indicated in it?—Yes.

121. Would it make any difference whether the cable touched at Banjoewangie or Sourabaya?—None.

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122. Do you know anything of the seas along that route?—We know that starting from the North-West Cape we get into deep water, away from the warm waters in the northern seas, and away from some of the currents; and although it does not appear on this chart, the route we propose would go from the North-West Cape through Lombok Strait and on to Singapore, and not from Batavia to Singapore. The authorities in England would prefer to go this way.

123. Will you point out where this current is?—There are two currents [*indicating positions on map*].

124. Your Companies have no cables in the Eastern seas at present, have they?—Only in the Persian Gulf.

125. How far does your communication extend from Singapore?—It extends to Rangoon, in connection with the Government of India lines.

126. Have you taken any steps to extend that communication?—Yes, I hold a contract to construct a double-wired line from Tevoi to Singapore.

127. Is that line in course of construction?—The surveys are now being made.

128. Under whose control will it be?—Messrs. Siemens Brothers.

129. Then you have no repairing ships in those seas at present?—We have not; our repairing ship, the "Faraday," is in the Atlantic.

130. In the event of a contract being taken for the line you now propose, would you make it a part of the contract that a repairing ship should be kept in this sea?—Yes.

131. For the terms specified?—Yes.

132. *Mr. Fraser.*] In your fourth proposition you say "By cable to be supplied, &c." I assume that that means a complete cable entirely separate from the existing communication between Singapore and Batavia?—Yes.

133. And you would go from the North-West Cape either through Lombok Strait to Singapore?—We have considered that to be the best route; but we should have no objection to go to the right of this line and touch at Batavia.

134. That would be the most direct route?—Yes.

135. Would there be any difference in the cost between the line through Lombok Strait and the other line, or would you require an equal subsidy in each case?—An equal subsidy.

136. But I understand you to say that the route through Lombok Strait, touching at Sourabaya, was the best?—That is the opinion held by the authorities in London.

137. What is the line from Western Australia *via* Ceylon?—It was suggested that the line should go from the North-West Cape to Ceylon *via* Anjer. There might be some danger to the cable at the Cocos Islands. I have been informed that you can look down from some shelving rocks into an unfathomable ocean. These rocks are not more than 300 yards from the cocoa-nut trees. It was proposed that the line should go from the North-West Cape to Anjer or Batavia, or thence to Ceylon.

138. *Mr. Fraser.*] False Point, in India, was another alternative line that would touch at Singapore?—Yes.

139. That would complete a continuous cable from Australia to India?—Yes.

140. That is to say, Australia would have a continuous and independent communication with India, which could not be interfered with by any other country?—Yes, we could make 1,000-mile connections all the way from Australia.

141. *Mr. Griffith.*] What is the distance from Copang to Cape York?—About 1,000 miles. In each of those places there is a complete duplicate system from the time a message is received at any office in Australia until it is received in England.

142. Have you English operators in each country?—Yes, right through.

143. Will you state shortly your route, starting from Rangoon?—From Rangoon to Calcutta, then to Kurrachee, thence to Teheran to Tiflis; but between Kurrachee and Bushire there is a cable laid down to duplicate the land line of the Indo-European Company. From Tiflis by the frontiers of Germany to Berlin, and thence to London.

144. Are your principals, the Indo-Australian Telegraph Company, represented there?—Yes, we have entered into an agreement with the Indo-European Company to allow us a rebate of 40 per cent. upon all messages from Australia.

145. That is a permanent working arrangement?—Yes.

146. *Mr. Mein.*] Are these several proposals which you make in connection with the subsidy dependent upon the present rate of charges, or are you prepared to allow the colonies to fix their own rate of charges?—We would allow the colonies to fix their own rate of charges.

147. You would prefer to leave the rate of charges to competition between the different colonies?—I would.

148. Fixing a maximum charge, I suppose?—Yes, we should be obliged to do that.

149. What maximum charge would you be prepared to fix?—Six shillings a word for ten words including address, which is the present rate.

150. On the terms you offer?—On the terms we offer.

151. *The Chairman.*] Your Company has stated what they will lay down a line for from Normanton to Singapore. What will they do it for from Port Darwin—would it be more or less?—Less.

152. How much less?—We should require a subsidy of £45,000 for a cable from Port Darwin to Singapore.

153. And how much from Normanton or Cape York?—£50,000.

154. That would make a difference of £5,000?—Yes.

155. *Mr. Mein.*] The line from Cape York would be shorter, would not that make a difference?—There would be the difference in the cost of the cable; we should be prepared to allow that in the subsidy.

156. Then I understand you that the line from Cape York would be £48,500?—No, £49,000. Of course the subsidies have not been calculated on the cost of that cable.

157. *Sir H. Ayers.*] Are you a professional electrician?—I am not.

158. How have you obtained your knowledge of the bottom of the seas you have been describing? The Conference. I have travelled over a great part of them, and I have obtained the latest information respecting them from Captain Nares, of H.M.S. "Challenger," who took lately the only soundings ever taken in those seas, showing the depth along this dotted line [*indicating line on map*]. We know almost as much of the soundings round and south of Timor as we do of the soundings fifty miles from the Australian coast.

159. Will you state whether this information has been obtained by you, or is derived from your own knowledge?—It is not only derived from my own knowledge, but has been collected by me from Captain Nares, the best authority I could obtain from the Admiralty in England, from the latest data, and from the charts giving the actual soundings.

160. But you have not taken soundings on board cable ships yourself?—No, I have not actually taken soundings.

161. But you say you know the coral reef along this line?—Yes.

162. And you state that there are no coral reefs about Timor?—Yes, I know it from the charts made by the Admiralty officer sent down purposely to survey this very spot; from the information that gentleman has given me, and from the soundings actually taken and placed on the charts—

163. You are getting away from my question. You seemed to think there was a coral reef here [*indicating locality on map*,] on this line from Port Darwin to Banjoewangie; was that from your own knowledge of the bottom?—The soundings are given on the chart, and show the nature of the bottom. The present cable has been removed from that very coral bank to the sea, which I have told you is now clear of coral reefs.

164. *Mr. Anderson.*] The present cable is clear of the coral bank? Yes, I am given to understand that it was on the edge of the coral bank that it was broken, and that it is now quite clear of it.

165. *Mr. McLean.*] Your principals are connected with the cable across the Atlantic from Australia to America?—Yes, by the direct United States cable and through America by the Western Union Telegraph system.

166. Have they received any instructions to negotiate for a line by Honolulu?—Yes.

167. What is your opinion of it?—There is nothing against it except the expense.

168. But supposing all those islands should agree to a subsidy, there would be no objection on the score of expense?—None whatever, only the line is considerably longer than many persons in Australia think it is. The actual distance is somewhere about 7,500 miles, and that would require a length of cable over 8,000 miles: the sections would be cut in lengths of 1,000 miles between San Francisco and Honolulu and Fiji.

169. They would not be longer than other existing lines?—No, there is nothing against it except commercially; we should get nothing from Honolulu or Fiji.

170. Have these questions been discussed by your Company?—Yes. I have at the present moment the particulars of a subsidy for laying down that cable.

171. *Mr. Griffith.*] And what subsidy do you think would be necessary to open that route?—Well, it would be at least double the present subsidy.

172. *Mr. Stuart.*] Are you thinking of starting from Australia?—Yes.

173. Why should you start from Australia?—Well, the French Government have £8,000 ready as a subsidy for a line from Australia to New Caledonia; and although the outlay would not be very great, we should require a subsidy of £25,000 for that cable alone.

174. *Mr. McLean.*] Well, you should get a subsidy from Honolulu and the other islands, and I do not see why they should not give it for this line?—The Government of Honolulu told me that they would give no subsidy, and the Postmaster-General told me the same.

175. But Sir Julius Vogel, who has obtained further information, states that they are very likely to give it?—Then there would be no difficulty in constructing the line; you see we should only have to look for through messages from America.

176. It would be to the advantage of your Company, because it would bring a great deal of traffic from New Zealand, as well as the Islands?—Yes; that is why we are endeavouring to make arrangements with the Honolulu Government to land the first section on that island.

177. *Mr. Griffith.*] What would be the longest section along that route?—From Fiji to Honolulu; we have tried all we could to make these cables in 1,000-mile sections, because the cost of laying a cable over 1,000 miles is considerably more than for 1,000 miles, and the cable is more expensive.

178. Have you any knowledge of the sea through which the cable would pass along that route?—No; the Secretary to the Postal authorities has promised to send me the information. From what we know of it, it is an exceedingly deep sea, and, as far as we could learn from the "Tuscaroora," it is a good bottom, and when they got within about thirty miles of the shores of Queensland they reported that their leads dropped into a hole from 3,000 to 4,000 fathoms deep.

179. And so far as you have ascertained, there is quite as good a bottom there as along the route by Java?—Yes, as far as we have had experience of the deep seas, we have generally found a soft bottom.

180. *Mr. McLean.*] Have you any authority to lay a cable along that route?—Oh yes, my authority is to obtain the best concessions I can, and to make a route between here and London whichever way you wish it to go.

181. When you were in treaty to make the line from the colonies to England in 1875, had you proper authority to carry out the agreement?—Yes.

182. Because I see there is a letter from Sir Julius Vogel, stating that the arrangement fell through because you were unable to carry out your agreement?—That letter never reached us, and there was another letter which was handed in by special messengers to Sir Julius Vogel, which has not appeared in the correspondence.

183. Have you that letter?—I have. [*Witness handed in a letter. Vide Appendix A.*]

184. And you have looked over this printed correspondence and see no trace of these letters?—No trace whatever.

The Conference.

185. Do you hold full powers of attorney from your principals?—Yes, and I have always done so.

186. *Mr. Stuart.*] I should like to know why that contract was not carried out?—It was understood that the cable should be put down in a reasonable time—in three months—and it was nearly eighteen months before the three Governments agreed to do it. The instructions were so stringent that not a single concession could be granted, and one afternoon the conditions fell through, for the moment only. In the New Zealand Act, ratifying the agreement, Sir Julius Vogel inserted a clause authorizing the Government of that colony to consent to a cable direct from New Zealand, and on the following morning we saw for the first time, in the newspaper, that a contract had been signed for a separate cable to Australia from New Zealand with a different company. We were surprised to see this in the morning newspaper, having left Sir Julius Vogel overnight without receiving any intimation of it, and having been prepared to lay down the New Zealand cable separately ourselves.

187. But as I understand it, you entered into a memorandum of agreement to construct a certain line, subject to ratification by the Parliaments of the various colonies. That ratification was given, and yet the contract with the Company which you represented fell through?—Yes.

188. Well, I want to know why it fell through?—For this reason, that at the moment the whole of the money was provided for by a large combination of capitalists; but eighteen months afterwards, owing to complications in the money market in England, that money could not be supplied without certain concessions asked for from the representatives of the different Governments, that certain things were to be granted. Their instructions were not to grant them, and the agreement fell through.

189. Then do I understand that the contract which you made on behalf of your principals was what may be called a sort of sporting offer—that is to say, an offer to make a line provided all things remained the same with regard to the money market?—No; the money was provided for.

190. But there was nothing in your memorandum of agreement to limit the time to three months?—It was understood that the whole thing would be ratified in three months, and that I should have to go to England by the next mail.

191. But where several Governments had to be consulted in respect to the construction of a new line of telegraph, it does not appear, to me at all events, reasonable to expect that everything could be settled within three months?—Yes; this Parliament was in session, and it was expected to be done immediately; the Queensland Parliament was in session also, and Sir Julius Vogel left here with the understanding that it should be done at once.

192. Now I come to the object I have endeavoured to arrive at by these preliminary questions. You now offer to put down a certain cable for an annual subsidy of £50,000, with a limitation of 6s. a word for the tariff of messages. Is that an offer which would be subject to the approval of the various Colonial Parliaments, or is it an offer made in the same way as the last—an offer made with reference to the present cheap rate of money in England, which you might find it impossible to carry it out if money became dearer?—No, it is not.

193. You see on the last occasion you stated that you had full power to bind your principals, and yet when the different Parliaments had ratified the contract it fell through because the gentlemen who were parties to the agreement were no longer in a position to do what they had offered to do. I wish therefore to know whether this offer is subject to the same contingency, or whether it will stand any reverse in the money market?—Yes; I am prepared to sign a binding contract.

194. Was not that the case on the last occasion?—It was, but the contract was never signed.

195. Was not the agreement as binding upon you as the contract?—Yes, but the agreement was that it should be carried out quickly.

196. Well I want to know whether this offer is made to be carried out quickly?—Yes.

197. What is to be the limit of that quickness?—Within twelve months.

198. *Mr. McLean.*] Then you considered that the non-fulfilment of an agreement by the different Governments within eighteen months was unreasonable?—Yes.

199. *Mr. Stuart.*] We are to understand then that on the first occasion you considered three months a reasonable time, and that now you think twelve months reasonable?—Yes.

200. You ask a subsidy of £50,000 for this cable?—Yes.

201. Has it occurred to you that if the combined Governments pay you this subsidy, they would virtually suppress the other Company?—They would get their share.

202. But they would have to work against £50,000.—Yes.

203. *The Chairman.*] You said the Governments refused you a slight concession on the last contract, but you did not say what that concession was?—I am not quite sure of the exact concession asked for, it was merely an alteration of some of the terms of the agreement which was entered into.

204. Then you do not know whether it was a slight one or not?—I have always been given to understand that it was a very reasonable request; it was not a question of money at all; it was merely a question of landing cables.

NOTE (on revision).—In answering the many questions put to me, I omitted to state that the Messrs. Siemens wished to be allowed to land the cable at Sourabaya, in Java, instead of Celebes, because no business was to be expected from the latter place, and asked the representatives to wait for a few days to allow of a telegram being sent to the Governments interested to allow this slight alteration. This, it was stated, was useless, as their instructions were to keep them to the exact agreement; consequently for the moment negotiations stopped, but when leaving the representatives on that afternoon the Messrs. Siemens told the representatives they were prepared to go on with the New Zealand cable, and so allow time to telegraph on.

I arrived in London twelve hours afterwards, when the Messrs. Siemens at once informed me that it was no fault of theirs; that it appeared to them that they had been made a sort of "buffer" between the Eastern Extension Company and the New Zealand representative. And Sir Daniel Cooper also told me he prevented the competing Company from seeing Sir Julius Vogel for a whole day at his private residence. However, it could not be prevented. The Messrs. Siemens knew nothing of this until the announcement was made in the morning papers, as the letters referred to yesterday had in some extraordinary way miscarried.—AUDLEY COOTE.

P.S.—Some copies of the old powers I then held are still in the possession of Mr. Jno. Robertson.—A. C.

APPENDIX A.

The Conference.

Messrs. SIEMENS BROTHERS to the COLONIAL SECRETARY, Queensland.

SIR,—

12, Queen Anne's Gate, London, S.W., 24th August, 1876.

In the printed papers relating to Telegraph Cable Negotiations, headed "1876, New Zealand," which have been forwarded by the Government of New Zealand to the Governments of each of the Australian Colonies, we find under No. 18 the copy of a letter purporting to be addressed to us by the Hon. J. Vogel and Sir D. Cooper, under date of 21st May, 1875, which letter has never reached our hands.

It is obvious from the tone and contents of that communication that we could not have allowed the same to have passed without our protest, had it ever reached us.

On the other hand we find that an important letter addressed by us to the Commissioners, and handed by special messenger to each of them, has been omitted from the correspondence.

The following is a copy of the same :—

"SIR,—

"Queen Anne's Gate, London, S.W., 7th May, 1875.

"We have the honor to hand you herewith printed copy of the memorandum, articles of association of the Indo-Australasian Telegraph Company (Limited), which has been formed by the several gentlemen who have hitherto acted in concert with us, with a view of establishing a second and independent telegraphic communication between India and Australasia.

"We are authorized to say that the promoters of the above Company, whose names are affixed to the memorandum, articles of association (as per enclosed copy), are prepared to enter into negotiations with you and the representatives of New South Wales and Queensland, on the subject of the assistance intended to be granted by the Colonial Governments interested in the furtherance of the undertaking.

"We shall be glad to hear that you are willing to negotiate with the Company on the subject, and any communication you will honor us with we shall have great pleasure in submitting to them.

"The Premier of New Zealand."

"We are, &c.,

"SIEMENS BROTHERS.

We consider it a duty to ourselves to call your attention to the above.

And have, &c.,

SIEMENS BROTHERS.

No. 2.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

4th April, 1877.

SIR,—

In the report of the Cable Conference which has been sent to me from Sydney, I notice some extraordinary statements made by Captain Audley Coote concerning the cable negotiations which took place in 1875.

Correspondence
respecting Mr.
Audley Coote's
Evidence. See
pp. 25 to 28.

2. The object of these statements appears to be to imply that Messrs. Siemens Brothers were unfairly treated, and that whilst negotiations were pending with them I made an agreement with another company. Captain Coote also produced a letter from Messrs. Siemens Brothers, from which it appears that those gentlemen complain of not receiving a letter which appeared in the printed correspondence presented to the New Zealand Parliament, and that they further complain that a letter of theirs was not published. To deal with the last complaint first, I have to observe that I distinctly remember that the letter was signed by me; that Sir Daniel Cooper remembers signing and sending it, and that it must have been a strange accident, of the nature of which I am totally unaware, that interfered with its reaching Messrs. Siemens Brothers. Concerning the non-publication of their letter, I can only suppose it was not considered worth while to publish it when the papers were prepared. It was a letter enclosing some bulky articles of association of a new company. Its date was a month subsequent to the time when the three representatives had broken off negotiations with Messrs. Siemens Brothers, and some days after I had come to an understanding with another company regarding the outline of an arrangement for the New Zealand and Australian cable. It therefore had no importance.

3. Concerning the other complaints, I have to observe that the representatives of the three colonies loyally adhered to Messrs. Siemens Brothers, until all chance of their carrying out the arrangement entered into at Sydney on their behalf by Captain Coote was over. I think it would be most convenient to give a brief history of the circumstances.

4. At Sydney, early in 1873, an agreement was entered into with Captain Audley Coote, by the representatives of New South Wales, Queensland, and New Zealand, subject to the approval of the several Governments, for the construction of a cable between Normanton and Singapore, and between New Zealand and Australia. That agreement was ratified in New Zealand the same year by an Act of Parliament, which also gave a power to the Government, should the agreement not be carried out, to enter into an arrangement for a New Zealand cable only. The agreement was not ratified by the New South Wales Parliament until June in the following year. In reply to some pertinent questions put by Mr. McLean to Captain Coote, as to the value of any agreement he might enter into, Captain Coote endeavoured to make out that the delay in the ratification was the reason for the agreement he entered into not being carried out. I can reply to this, that when Captain Coote knew I was going Home to complete the arrangement, he gave me to understand his principals were still ready to carry it out.

5. On my arrival in England, Sir Daniel Cooper, representing New South Wales, Mr. Daintree, acting for Queensland, and I, entered into prolonged negotiations with Messrs. Siemens Brothers. Captain Coote insinuates that the arrangement fell off on immaterial points connected with the course of the cable. It so happens that Sir Daniel Cooper and I were inclined to agree with Messrs. Siemens Brothers concerning the route, but on Mr. Daintree telegraphing out, the answer he received was, "Government insist on separate line *via* Macassar, otherwise contract not to be entered into." The arrangement, however, did not go off on this point, but it came to a conclusion because Messrs. Siemens Brothers found that the gentlemen with whom they were working could not agree to the terms arranged by Captain Coote and sanctioned by the three Parliaments. One of the conditions of the arrangement was that all receipts in excess of £12,000 should pass in reduction of the subsidy. This

Correspondence
respecting Mr.
Audley Coote's
Evidence.

would have amounted to an immediate relief to the subsidy, as the gross earnings were sure to exceed £12,000. Messrs. Siemens Brothers wanted the amount raised to £80,000. Neither the representatives nor their Governments, without the consent of their Parliaments, could have agreed to this, and the arrangement came to an end about the end of March, 1875. I then told my colleagues that I held authority to negotiate for a New Zealand and Australian cable, but that I would do nothing until they were content that the arrangement we were jointly empowered to agree to could not be carried out. It was agreed that Sir Daniel Cooper should ask other companies to take up the matter. He did so, and they all declined, on the ground that the terms were not sufficiently liberal. I was then told I was at liberty to consider our joint negotiations ended, and I at once entered into other negotiations.

6. Far from my concluding an arrangement whilst still in negotiation with Messrs. Siemens Brothers, Sir Daniel Cooper's inquiries intervened between the termination of our negotiations with Messrs. Siemens Brothers and my opening fresh negotiations. It was about the middle of April when I commenced to arrange with the Eastern Extension Company, and it was the end of June before the contract was signed. I explained fully in my letter to Dr. Pollen, dated 10th June, 1875, which appears in the printed paper, F. 6A, 1875, why I negotiated with the Eastern Extension Company, and I append some extracts from that letter.

7. Sir Daniel Cooper approved of the course I was pursuing, and telegraphed out and obtained the permission of his Government to become a party to the proposed arrangement. Briefly, the reasons for my electing to negotiate with the Eastern Extension Company were—

(a.) That they were in a position to make better terms than any other company, or than any company that might be formed.

(b.) That they could at once command the means, and that there would be no delays in organizing a company and raising funds.

(c.) That it was an advantage to New Zealand to arrange with the Company that had command of the line to Europe.

7. I did not and do not consider that Messrs. Siemens Brothers had any claims to the first offer; on the contrary, according to custom, they having failed to fulfil the arrangement already made, were rather shut out from the offer of a new one. I did not, however, lay much stress on this, for I recognized that they were anxious to carry out their contract, and found themselves unable to do so. No other contractor was willing to take it up, so it might fairly be considered that their representative had agreed, on their behalf, to more than any body of capitalists would be prepared to carry out. At any rate, their inability gave them no claim, though I was far from thinking they were to blame for it. I simply felt myself at liberty to select with whom I should negotiate, and for the reasons referred to I selected the Eastern Extension Company.

8. You will permit me to add that the result justified my opinion. There can be no question that the arrangement made was most advantageous to New Zealand, and that no other firm or company could have made so favourable a one. I enclose you the copy of a letter I have received from Sir Daniel Cooper, which, you will observe, he authorizes me to use, and in which he expresses the surprise he felt at the smallness of the subsidy required. The Government of New South Wales shared the same feeling, and thinking that a mistake had been made in the figures, asked for a repetition of the telegram. You are aware that whilst I was authorized to guarantee £20,000 a year for thirty-five years, I only bound the colony to pay £5,000 a year for ten years.

9. As Captain Coote's statements were made at the Conference, perhaps you will do me the justice to have this letter and its enclosures printed, and to send copies of it to the several Governments represented at the Conference.

Hon. Colonial Secretary, Wellington.

I have, &c.,
JULIUS VOGEL, Agent-General.

Enclosure 1 in No. 2.

SIR DANIEL COOPER to the AGENT-GENERAL.

MY DEAR VOGEL,—

20, Prince's Gardens, South Kensington, S.W.

I thank you for sending me the copy of the correspondence whilst we were negotiating about duplicating the telegraph lines from London to Australia and New Zealand; and also copy of the report and proceedings of the Conference at Sydney in January last.

I much regret to see some rash statements made by Captain Audley Coote, and a complaint that Messrs. Siemens Brothers had not had fair-play.

From the illness of yourself and Mr. Daintree, a good many details fell to my share, and I think I knew everything that transpired.

In our dealings with Messrs. Siemens Brothers, I can certify that we dealt in every way fairly with them, in giving them every opportunity of carrying out the provisional agreement made with Captain Coote in the colonies. Both yourself and Mr. Daintree were less sanguine than I was as to the power of Messrs. Siemens to raise the capital and lay the cable on the terms stipulated, viz., £50,000 a year, and £12,000 for working charges, before the earnings could be applied to the reduction of the £50,000.

At our last meeting with one of the Messrs. Siemens and Mr. Loeffler, it came out that the £12,000 a year for working expenses was wholly inadequate, and, after much cross-questioning, Mr. Siemens said it would take from £70,000 to £80,000; and unless that sum could be substituted they must decline to go on with the negotiations. I asked him if he would take a few days before he gave a final answer, and he said they would be useless; and I then asked him if his answer then was final, and he said it was.

I reported this to the Sydney Government, and my letters can be referred to

It was agreed that I should see the Telegraph Construction and Maintenance Company, which I did, but the matter was declined, on the point that £12,000 a year was utterly inadequate. I then

tried the India-rubber and Gutta Percha Company, of Cannon Street, and soon found that they were not in much of a position to take up such an extensive matter, and, if they had been able, they objected to the limit of £12,000 a year for working expenses.

Correspondence
respecting Mr.
Audley Coote's
Evidence.

It was then decided amongst us that our commissions were useless, and there was an end of the matter.

You had power from your Parliament to negotiate for a cable between New Zealand and some part of Australia; and when you suggested that New South Wales should join in the undertaking, I immediately telegraphed for special powers to do so, and the power sought was given to me. I did not act in any way under my first commission, nor was I bound by any instructions, except that I was not to commit the Sydney Government without first consulting them by wire.

During the first negotiations, I felt troubled that we were tied to Messrs. Siemens Brothers, and that Mr. Daintree was forbidden to have anything to do with the Eastern Extension Company. I felt this latter Company was the one to offer the best terms both for duplicating the lines to Europe and for connecting Australia with New Zealand; and as I was aware that any cable laid by that Company would be made by the Telegraph Construction and Maintenance Company, I thought that that was the best Company for us to go to.

I never expected to make a contract for less than £20,000 a year, and when the terms were named as £7,500, and New South Wales to pay only £2,500 a year, I felt, if the contract could only be concluded, it would be a splendid bargain. It was concluded, and every one now knows that it is a splendid bargain, and that the cable so far has never failed.

If Messrs. Siemens Brothers or any one else had been allowed to interfere with the negotiations with the Eastern Extension Company, the whole affair would have been upset, or if we had gone first to Siemens Brothers, and having failed with them gone to the Eastern Extension Company, the matter would have fallen through, or we should have had to pay £18,000 to £20,000 a year instead of £7,500. Instead of blame, I think you and I deserve great credit for the way we stuck to our work, and carried through a most difficult and trying negotiation.

Messrs. Siemens Brothers may deny receiving a joint letter of 21st May, 1875 (No. 18), but I not only recollect the letter, I also recollect directing that it be delivered by hand, and was afterwards told that it had been so delivered, so any miscarriage must have been in Messrs. Siemens Brothers' own office.

Captain Coote in his evidence (answer 182), was in no position to answer from his personal knowledge, as he was in Sydney when the negotiations were going on. He told me himself that he saw my telegram giving the terms and sum of £7,500, and could not believe it. I was requested to repeat my telegram, and I did so by adding New Zealand £5,000, New South Wales £2,500, per annum. See p. 27.

Coote's answer to question 188 is also quite wrong. I give the true answer in my statement. See p. 28.

I regarded Messrs. Siemens' letter of 12th May, 1875, as a "try-on," and we could give no other answer than the one we did. Anything they could have said or written at that time would have had no effect on you or on me; and if we had neglected the work we had then in hand, we should have failed in our duty to the colonies we represented. It is childish to accuse you of suppressing a letter or statement which could be of no possible importance in any way.

Whilst you were drinking the waters in Germany, I saw Captain Coote in London two or three times, and from what he then said, I am certain that the minimum amount that Messrs. Siemens Brothers would have asked for the New Zealand cable would have been £17,500 a year.

At none of the interviews I had in London with Captain Coote, nor when I saw him in Sydney last year, nor in a long letter I afterwards received from him whilst he was in Tasmania, did he allude to a grievance either he or Messrs. Siemens Brothers had against you or me separately or jointly. Had he complained, I should have proved the delivery of the letter of 21st May, 1875, to Messrs. Siemens Brothers; and I should have proved how the negotiations with those gentlemen failed.

I have written more than I intended, but I feel that you did your duty well and honorably in this matter; and, if the truth be spoken, you deserve no discredit but great praise for the successful termination of the business, at a time when few men, suffering as you did, could have worked at all.

You can make what use you like of this.

I have, &c.,

DANIEL COOPER.

Enclosure 2 in No. 2.

EXTRACTS FROM PARLIAMENTARY PAPER F. 6A, 1875.

3. When I arrived in England I confined myself to negotiating in concert with Sir Daniel Cooper, the representative of New South Wales, and Mr. Daintree, the Agent-General for Queensland. We had several interviews and some correspondence with Messrs. Siemens Brothers, until at length it appeared that those gentlemen were unable to carry out the provisional agreement made in Sydney.

4. Meanwhile, several applications were made to me to arrange for a New Zealand cable. The various telegraph construction companies were very short of work, and were anxious for the business of constructing a cable; and their friends, representatives, and agents persistently endeavoured to initiate an arrangement for that purpose. Up to the time of the failure of the negotiations with Messrs. Siemens Brothers I declined to enter into any other negotiations. When that failure was recognized by the gentlemen who were jointly working with me, I felt myself at liberty to act independently. I very anxiously considered whether I should attempt to arrange by private negotiation or should invite tenders.

5. I found that the Eastern Extension Telegraph Company (Limited) much desired to enter into an agreement for the work; and that their desire proceeded not so much from anticipations of the direct pecuniary results of laying a cable to New Zealand, as from anxiety to forestall opposition to their Indo-Australian system. I saw that the Company believed that whoever laid the cable to New

Correspondence
respecting Mr.
Audley Coote's
Evidence.

Zealand would eventually start an opposition line to India and Great Britain. It seemed to me, therefore, that they would look less to direct profits than would any other companies or persons with whom I might attempt to arrange; besides that, as I shall again take occasion to notice, being a company already formed, arrangements with them would involve the least delay. I determined, therefore, to see what could be done with the Eastern Extension Company, and to deal with them if I could get favourable terms, without making the Government a party to a monopoly, and especially if I could obtain, in connection with an arrangement for a New Zealand cable, an agreement to reduce the rates for English messages. I resolved further, if I could not succeed in those respects with the Company, I would throw the matter open to tender. At the same time I proposed to Sir Daniel Cooper that New South Wales should pay one-third of the cost of whatever arrangement might be made, and should join New Zealand in the agreement. Sir D. Cooper communicated to his Government my proposal.

6. The Eastern Extension Company, as soon as I opened negotiations with them, intimated that they would be prepared to lay a cable between New Zealand and Australia without receiving any subsidy or payment whatever, if the Government would undertake not to promote or aid a competing line. The terms suggested by the Company were in part in the nature of a monopoly; besides which, they were to be at liberty to fix the tariff, their intention being to charge £1 for twenty words. I replied that I could not be a party to any arrangement which would give a monopoly, or which would leave the Company to fix the tariff.

7. After prolonged negotiations, which involved many interviews, and which at times seemed likely to be broken off, the heads of an agreement were settled, and they were afterwards approved of by a special meeting of shareholders in the Company; the meeting also authorizing the raising of the necessary capital by the issue of debentures. * * * * *

12. One great inducement to me to negotiate with the Eastern Extension Company, instead of with any of the various syndicates or concessionaries who were disposed to enter into the matter, was that an existing company could raise the necessary funds by debentures, whereas any syndicate or body of gentlemen to whom a concession might have been granted would have had to form a company, and to have gone through many necessary but troublesome preliminaries before capital could have been raised. Any such body might have failed to float a company and raise the necessary capital, whilst I had reason to believe that the Eastern Extension Company were tolerably certain of raising all the capital they required.

No. 3.

A CABLE *via* the UNITED STATES.

Memorandum for His Excellency.

Memoranda re
Cable from the
United States.

HIS EXCELLENCY is aware that, in January last, a Conference of representatives of the Australasian Governments was held at Sydney, to consider the Telegraph Cable question, especially as to obtaining a duplicate system of communication with Europe and the rest of the world; and that the Commissioner of Telegraphs, Mr. George McLean, was the representative of New Zealand.

2. The Conference decided that this Government should communicate with the Government of the United States of America, to ascertain whether the latter would be prepared to aid the laying of a cable from the western coast of the United States (probably from San Francisco) to the north of New Zealand. Such a cable would certainly be preferred to partial duplications of any existing system by the eastern route; but the work cannot be undertaken unless the United States will contribute liberally towards its very great cost.

3. Ministers desire to comply with the wish of the Conference. They accordingly forward to His Excellency the accompanying memorandum by Mr. McLean; and they respectfully ask that His Excellency will transmit a copy thereof, so that, through Her Majesty's Government, it may reach the Government of the United States, and be recommended for favourable consideration.

DANIEL POLLEN,

(In the absence of the Premier).

Wellington, 9th April, 1877.

Enclosure in No. 3.

MEMORANDUM by the Commissioner of Telegraphs respecting DUPLICATION of CABLES.

THE question of improved telegraphic communication between the Australasian Colonies and the rest of the world, is one of great interest and importance, and has received much attention from the several Colonial Governments.

2. The Government of South Australia, at its own cost and risk, undertook the construction of a line, about 2,000 miles in length, across the Australian Continent. This work was one of enormous magnitude compared with the number of the population out of whose revenue it was effected, and the great stretches of uninhabited country through which it passes render its maintenance very costly. To connect with this trans-continental line, the Eastern Extension Australasia and China Telegraph Company (Limited) laid a cable from Singapore to Port Darwin, and thus joined Australia with Europe and America. The Governments of New Zealand and New South Wales guaranteed a subsidy for connecting those colonies; a cable, over 1,200 miles long, was laid by the Eastern Extension Company; and it has been uninterruptedly worked for more than twelve months. New Zealand has thus been brought into the general telegraph system.

3. Occasional failures of the cables joining the Indian system with the Australian line at Port Darwin, or of the latter at points far in the interior, have caused the urgent need for a second line of communication to be forcibly felt, especially by merchants and traders.

4. A Conference, at which each of the Governments was represented, was held during January last in Sydney, New South Wales, for the consideration of the whole question.

5. A copy of the report, minutes of proceedings, &c., is appended hereto.

6. The resolutions adopted by the Conference included one recommending that negotiations or inquiries should be commenced, with a view to the construction of a cable to be laid between the United States and New Zealand; and it was further resolved that the Government of this colony should "enter into communication with the Government of the United States, for the purpose of procuring their assent to contribute to the payment of any subsidy that may be payable in respect" of such a cable.

7. Complying with the direction of the Conference, the Commissioner of Telegraphs suggests that this memorandum be forwarded to His Excellency the Governor, for transmission, through the Secretary of State, to the Government of the United States; and the Commissioner trusts that His Excellency will feel justified in promoting as far as possible the object of the Conference.

8. There is in these colonies, and amongst mercantile men in London, a feeling that if the route through Europe and India be chosen for the second line of telegraph, it should be secured by an essentially independent system, and not by duplications of portions of any line in operation. Dangers which affect the stability of one cable may almost equally, and at the same time, affect a second laid in the same stretch of sea, although not in proximity. Monopoly should be guarded against as far as possible. All reasons why a second line should be a separate one tell even more strongly in favour of the adoption of a totally distinct route; and by the choice of the Pacific Ocean course, from the United States southwards, not only would this advantage be most effectually gained, but a line would be secured which might reasonably be expected not to fail at the same time as one from England eastward. At present, much inconvenience results from the mutilation of messages by operators unacquainted with the English language. Freedom from such mutilation could be secured at any repeating station in the Pacific. But for its cost, this route would be preferred by all the Australasian Colonies.

9. It is understood that a cable from California to Japan, *via* the Hawaiian group, will very probably be laid. If this be done, San Francisco will be connected with Honolulu, and thus one-third of the work desired by the Conference will be completed for a separate purpose, in itself of great importance to the United States. On the other hand, English companies interested in the Eastern route are striving to obtain from the colonies a subsidy for duplicating certain lines. If those companies succeed, the question of an Australasian telegraph *via* the United States will be indefinitely postponed, although a large portion of the necessary work will (as has been said) be done by the Japan cable.

10. The Conference assumed that the Government of the United States would be disposed to concede substantial assistance towards a Pacific cable, because (putting aside all other considerations) telegraphic communication with Australasia by that route would be a great aid to commerce. The Australasian Colonies have now a population of about 2,500,000, apart from aboriginal natives. That population consumes very largely per head of many articles of food which are now, and may continue to be, imported from the United States; and it desires to use much more largely than at present many tools and labour-saving machines which the United States supplies better and cheaper than any other country.

11. The declared value of imports from the United States into the Australasian Colonies during 1875 (as will be seen from a return appended), exceeded £820,000 sterling.

12. The trade of the United States in the various Polynesian groups is understood to be large; and commerce with those islands is certainly capable of vast extension.

13. It is almost certain that were a Pacific cable completed to the north of New Zealand, the French Government would contribute liberally towards the connection of New Caledonia with the system; and it is probable that the Tahitian group would also soon be united.

14. The project of such a Pacific telegraph has been brought under the notice of citizens of the United States who were amongst the earliest promoters of the telegraph system, and who are earnest advocates of its extension. Intelligence received from the Agent General for New Zealand—who recently passed through America on his way to London—warrants the assertion that by many gentlemen of the class mentioned, as well as by merchants of New York and San Francisco, such aid as the Conference directed New Zealand to ask, would be regarded as a help to science and to trade, and as generally a wise concession on the part of the United States Government.

15. For these reasons, it is submitted that the application on behalf of the Conference deserves to be very favourably considered by the Government of the United States. The Commissioner suggests that at present only two questions should be dealt with, namely—Whether, supposing fair arrangements for the great work contemplated be found possible, the United States will contribute liberally towards its cost, by which course alone its accomplishment will be made practicable; and whether the Government will authorize the landing of the cable upon that point of its territory which may be considered best suited for the purpose.

Wellington, 9th April, 1877.

GEORGE McLEAN.

DECLARED VALUE of IMPORTS during 1875, from the United States to Australasia.

| | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|----------|
| New South Wales ... | ... | ... | ... | ... | ... | £203,539 |
| New Zealand ... | ... | ... | ... | ... | ... | 213,492 |
| Queensland ... | ... | ... | ... | ... | ... | 15,263 |
| South Australia ... | ... | ... | ... | ... | ... | 28,502 |
| Tasmania ... | ... | ... | ... | ... | ... | 5,583 |
| Victoria ... | ... | ... | ... | ... | ... | 353,141 |
| Western Australia (no return). | | | | | | |
| Total ... | ... | ... | ... | ... | ... | £819,520 |

No. 4.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
25th April, 1877.

SIR,—

See No. 14, p. 7.

I have the honor to acknowledge the receipt of your letter of 15th December, No. 188, referring to a proposed Conference of the Agents-General of the various Australasian Colonies on the subject of telegraph cable communication. I have to express my regret that through oversight a reply to this despatch has not been previously sent. About the date when it reached my hands, it came to my knowledge that a Conference of Ministers representing the various colonies was to be held on the subject at Sydney. Pending the Conference the Agents-General would not have been inclined to act. The results of the Conference, as shown by the official report, do not leave anything at present to be done by New Zealand in conjunction with the other colonies. I do not therefore think it desirable to endeavour now to convene a Conference, but at some future time the permission you give me may be valuable. I have kept you fully aware of what I have done, and of my views concerning cable telegraphy. I have not yet communicated with the India Office, but I propose doing so in a few days.

The Hon. the Colonial Secretary,
Wellington.

I have, &c.,
JULIUS VOGEL, Agent-General.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1877.

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