

1880.

NEW ZEALAND.

DUPLICATION OF TELEGRAPH CABLE FROM PORT DARWIN

(FURTHER PAPERS RELATING TO).

In continuation of F.—4A, Sess. I., 1879.

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

No. 1.

The SUPERINTENDENT, Cable Company, Wakapuaka, to the GENERAL MANAGER of TELEGRAPHS, Wellington. 23rd February, 1878.

SIR,—I have the honor to state that our Adelaide agent desires me to inform you that the Managing Director of this Company is expected to arrive in Melbourne about March 9th proximo, and it is proposed that a representative from each of the colonies should meet him in Melbourne to endeavour to make arrangements for the duplication of the cables from Australia.—I have, &c., J. S. SHAPLEY.

No. 2.

The GENERAL MANAGER of TELEGRAPHS, Wellington, to the SUPERINTENDENT, Cable Company, Wakapuaka. 4th March, 1878.

SIR,—I am directed by the Hon. the Telegraph Commissioner to acknowledge the receipt of your letter of the 23rd ultimo respecting the proposed meeting of colonial representatives to take into consideration the question of duplicate cable.

The Commissioner would feel glad if you could favour him with some further particulars respecting the proposed duplication, the basis upon which it is expected to be carried out, and any further information you may think of value.—I have, &c., C. LEMON.

No. 3.

The SUPERINTENDENT, Cable Company, Wakapuaka, to the GENERAL MANAGER of TELEGRAPHS, Wellington. 9th March, 1878.

SIR,—I have the honor to acknowledge the receipt of your letter No. 78/342, of the 4th instant, in which you ask, on behalf of the Hon. the Commissioner of Telegraphs, for some further particulars respecting the question of a duplicate cable from Australia, and, in reply, beg to state that some of the Australian Colonies have agreed to ask our Managing Director, Colonel Glover, to meet them in consultation for the purpose of seeing if some arrangement can be come to by which a duplicate cable may be laid by this Company between Port Darwin, or some other port in Australia, and Singapore, and thus insure permanent telegraphic communication with England by having a second line throughout.

I cannot do better than enclose you the copy of a circular which was issued by this Company some time since, as it goes fully into the question and states the terms upon which the Company would at that time have been willing to carry out the proposed work.

The "Chimborazo" arrived at Adelaide with Colonel Glover on board; so that, should the Hon. the Telegraphic Commissioner wish for any further particulars, I shall be most happy to wire direct to Colonel Glover for the information he may require, upon receipt of advice to that effect.—I have, &c., J. S. SHAPLEY.

(Enclosure.)

CIRCULAR issued by the Eastern Extension Australasia and China Telegraph Company (Limited),
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 of 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

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.

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 communication 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 these 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 twenty-two 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 reproduced. 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 PENDEB, Chairman Eastern Extension Australasia and China Telegraph Company.

No. 4.

The CHIEF SECRETARY, Adelaide, to the COLONIAL SECRETARY, Wellington. 20th March, 1878. COLONEL GLOVER, the Managing Director of the Eastern Extension Telegraph Company, having arrived in Australia with a view of negotiating with the colonies' Governments for duplicate cable, we would suggest an Intercolonial Conference being held at Melbourne, to meet on Thursday, the 25th April, at which it is hoped a representative of your Government will be present.—WILLIAM MORGAN.

No. 5.

The COLONIAL SECRETARY, Wellington, to the CHIEF SECRETARY, Adelaide. 30th March, 1878. GOVERNMENT will be much obliged by being informed as to who are expected to attend Conference on duplicate cables. Will colonies be represented by Ministers or Telegraph Superintendents?—COLONIAL SECRETARY.

No. 6.

The CHIEF SECRETARY, Adelaide, to the COLONIAL SECRETARY, Wellington. 1st April, 1878. THIS colony will be represented by Ministers, and it is believed the other colonies will also. Our delegates not yet appointed.—WILLIAM MORGAN.

No. 7.

The COLONIAL SECRETARY, Wellington, to the CHIEF SECRETARY, Melbourne. Wellington, 1st May, 1878.

SIR,—The Government of New Zealand having found it out of their power at the present moment to send one of the Cabinet to represent this colony at the Conference of representatives of the Australasian Colonies, about to meet to consider the question of laying down a duplicate telegraphic cable between Australia and Singapore, I have the honor to request that you will do me the favour of handing to the Chairman of the Conference the accompanying letter, embodying the views of this Government on certain points connected with the project which we consider of some importance.—I have, &c., G. S. WHITMORE.

Enclosure.

The COLONIAL SECRETARY, Wellington, to the CHAIRMAN of the CONFERENCE on Duplication of SIR,— Electric Cable, Melbourne. Wellington, 1st May, 1878.

I HAVE the honor to inform you that, owing to the near approach of the session of Parliament, and the consequent number of important matters occupying the attention of Ministers, this Government exceedingly regret being unable to send a representative to the Cable Conference; and they accordingly desire to take this opportunity of placing before the other members of the Conference their views as to the proposed duplication.

It appears to this Government that the question resolves itself into the three following heads:—First, as to the route the cable should follow; second, as to the basis upon which the subsidy shall be distributed; third, as to what proportion of the subsidy the Imperial Government should be called upon to contribute.

As regards the route, we are of opinion that a survey of both routes—viz., that from Port Darwin to Singapore, touching at Banjoewangie, and that from North-west Cape to Singapore, also touching at Banjoewangie, should be made before the choice of either can be decided upon finally. The New Zealand Government will be willing to contribute their share towards such survey.

This Government has gone carefully into the question of subsidy proposed by the Eastern Extension Company for the duplication of the cable by either of the above routes, as also the proposal as to the sinking fund; and beg to express their views as follows: The Government think that the payment of the subsidy by the several colonies should be assessed on the money value of the telegrams passing

through the cable to and fro at Port Darwin, and not upon the basis of population. They also consider that the sinking fund should be vested in the hands of trustees appointed by the several colonies, and that the expenses of the renewal or repair of the duplicate cable should be paid out of such fund, the balance at the end of the twenty-two years to be distributed amongst the several contributing Governments according to their proportion of contribution; or it might, perhaps, be better to devote such balance towards forming the nucleus of a fund for procuring another cable. It also suggests itself to this Government that, in the event of the present cable being interrupted, either the Eastern Extension Australasia and China Company should pay for the right of sending through the new cable whilst the repairs were in progress, or that the subsidy on the duplicate cable should cease during such period of repairs.

This Government are of opinion, taking into consideration the importance that uninterrupted telegraphic communication must be to the mother-country, that the Imperial authorities may be fairly asked to contribute a proportion of the subsidy and sinking fund.—I have, &c., G. S. WHITMORE.

No. 8.

The PRESIDENT of CABLE CONFERENCE, Melbourne, to the COLONIAL SECRETARY, Wellington. 20th May, 1878.

THE Conference has agreed to certain resolutions, of which the following is a summary:—That New South Wales and Victoria make a contract with the existing Company for a second cable from Singapore to Banjoewangie, and thence to Port Darwin direct, for not exceeding £32,400 annual subsidy for twenty years, payable by all the Australasian Colonies rateably in proportion to population on 31st December, 1876, and subject to readjustment quinquennially. Subsidy not to be payable till a second cable is also laid between Singapore and Penang at Company's cost. In consideration thereof the Company is to reduce the charges for *bonâ fide* Press messages 75 per cent., and for governmental messages 50 per cent. Power is to be reserved in the contract for purchase of the second cable at any time, determining currency of subsidy. As regards land line, after mature deliberation and much attention given to conflicting requirements, it was resolved (Queensland dissenting) to allow South Australia a reasonable period to introduce certain improvements which it is maintained will greatly reduce the interruptions on the Port Darwin line. If these representations are not realized, the colonies have expressly reserved power, South Australia not objecting, to take confederate action with the view to establishing a connecting line between Port Darwin and the Queensland telegraph system. There were certain other matters of minor interest considered by the Conference, and its resolutions thereon will be forwarded to you by first post. The resolutions regarding cable were not agreed to unanimously, Tasmania dissenting, and Queensland not concurring in some matter of detail; but generally I may say that the conclusions arrived at appear to be regarded as fair and satisfactory, and, if carried out, are likely to give us what we all unite in desiring—a reliable means of telegraphic communication with Europe at an early date, and at the least cost compatible with efficiency. Your letter was received, and obtained from the Conference all the consideration it deserved as representing the views of so important a member of the Australasian group. All the evidence elicited tended to show that at present the profits are too small to justify any expectation of an early reduction being probable in the cost of private messages to and from Europe.—GRAHAM BERRY.

No. 9.

The PRESIDENT of the CABLE CONFERENCE, Melbourne, to the COLONIAL SECRETARY, Wellington. 8th June, 1878.

PURSUANT to resolution of Conference, Mr. Burns and myself prepared draft agreement for contract with the Eastern Extension Telegraph Company, which the Company's representative here telegraphed Home, and he has now received their consent, without material alteration, to it. Can we therefore include New Zealand as one of the contracting colonies? With her co-operation the matter can almost be regarded as settled. Should you desire copy of proposed agreement, I will telegraph it if Mr. Burns consents to my doing so, which I have no doubt he will.—GRAHAM BERRY.

No. 10.

The COMMISSIONER of TELEGRAPHS, Wellington, to the CHIEF SECRETARY, Melbourne. 13th June, 1878.

RESOLVED in Cabinet, "That the Government of New Zealand object to join in the proposed contract with the Eastern Extension Telegraph Company on the terms agreed to by the majority of the members of the late Cable Conference, because, the New Zealand cable not having been made part of the general scheme, the Government of this colony are unwilling at *present* to enter into any new arrangements."—J. T. FISHER.

No. 11.

MEMORANDUM relative to DUPLICATION of CABLE. Wellington, 11th July, 1878.

WE are of opinion—(1.) That the duplication of the cable, as proposed by the Cable Conference should, under all the circumstances, be agreed to by New Zealand, in conjunction with Victoria, New South Wales, and South Australia, and such other of the colonies as may become parties to the contract with the Eastern Telegraph Extension Company. (2.) That the reduction in the charges for the transmission of messages between Port Darwin and London by 75 per cent. for Press messages, and 50 per cent. for governmental messages, without additional subsidy, is very liberal, and may, in the discretion of Messrs. Berry and Burns, be modified to the extent proposed by the Company, if its directors cannot obtain the like concession for its use of the Dutch and Indian lines. (3.) That it is unnecessary to keep a steamer constantly at a port in New Zealand or Australia specially for the New Zealand cable; and that the Company should be relieved from this obligation without prejudice to the other conditions of the articles of agreement, which we think are sufficiently stringent to insure the maintenance of communication by cable between New South Wales and New Zealand. (4.) That

the Company should reduce their charges for the transmission of messages by the New Zealand cable to the rates which we have proposed to Colonel Glover in a separate paper. (5.) That the repairing ship of the Company should be at all times available, on reasonable notice, for the repair of the Cook Strait cables. All the expenses of the ship, less her charges for a corresponding period if she were laid up in port, to be defrayed by the Government of New Zealand, which Government should also indemnify the Company, or provide by insurance, for any damage to the steamer, her machinery, or gear in connection with the repair of the said cables.—J. T. BURNS, J. T. FISHER, and J. G. GLOVER.

No. 12.

Wellington, 11th July, 1878.

SUBJECT to the scheme for the duplication of the cable between Port Darwin and Europe being agreed to, and effect being given to clauses 3 and 4 of the memorandum of the Postmasters-General of New South Wales and New Zealand, the following reductions in the tariff on the New Zealand cable have been assented to by the representative of the Eastern Telegraph Extension Company, Colonel Glover, and the Governments of New South Wales and New Zealand by their respective Postmasters-General:—

Present Rates.—First ten words: Cable Company, 7s. 6d.; New South Wales, 1s.; New Zealand, 1s. Each additional word: Cable Company, 9d.; New South Wales, 1d.; New Zealand, 1d.

Proposed Rates.—First ten words: Cable Company, 6s.; New South Wales, 6d.; New Zealand, 6d. Each additional word: Cable Company, 7d.; New South Wales, 1d.; New Zealand, 1d.—J. G. GLOVER, Managing Director, Eastern Extension A. and C. Telegraph Company; J. T. BURNS, Postmaster-General of New South Wales; J. T. FISHER, Postmaster-General and Telegraph Commissioner, New Zealand.

No. 13.

The CHIEF SECRETARY, Victoria, to the Hon. the COLONIAL SECRETARY, Wellington. Chief Secretary's Office, Melbourne, Victoria, 23rd December, 1878.

SIR,—I have the honor to inform you that the terms of the proposed contract for the second submarine cable have now been finally agreed upon between the representatives of the Australian Colonies and the directors of the Eastern Extension Telegraph Company, and that they have also been ratified at a general meeting of the shareholders of the latter held in London a few days since.

Copies of the agreement are enclosed for your information. The contract to be founded thereon will be prepared with all convenient despatch.

Appended is a memorandum showing the proportion in which the subsidy will be chargeable to the various colonies until the next general census is taken, when a redistribution of the amount will be necessary, as arranged at the Conference. It will give you satisfaction to hear that the Postmaster-General of New South Wales has received an intimation that the construction of the new cable has already been commenced. If, therefore, no unforeseen accident should occur to delay its completion, it is likely the cable will be laid and in full operation at a much earlier date than that to which its construction is limited by the conditions of the agreement.

It may be considered advisable, at a subsequent period, that the Governments of the different colonies should agree upon the adoption of some concurrent and uniform method for remitting the subsidy when due, and paying it over to the Company in pursuance of clause 8. This, and some minor matters of detail, will remain to be disposed of; but the business intrusted by the Conference to the Hon. Mr. Burns and myself may be considered to have practically terminated when the agreement was signed.

I cannot conclude without expressing my appreciation of the great services rendered by my able colleague throughout the whole of the proceedings, and it is but due to him to state that, without the patience and determination exhibited by him in overcoming successive difficulties as they arose, the negotiations would not have been brought to so successful a termination.—I have, &c., GRAHAM BERRY.

STATEMENT of the Distribution of the Cable Subsidy between the Australian Colonies, in the Proportions of the respective Populations, on 31st December, 1876.

VICTORIA, £11,275; New South Wales, £3,450; Queensland, £2,510; South Australia, £3,028; Western Australia, £367; Tasmania, £1,415; New Zealand, £5,355: total, £32,400.

Enclosure in No. 13.

MEMORANDUM of Agreement between the Governments of New South Wales and Victoria, on behalf of the Australasian Colonies, and New Zealand (hereinafter called "the Governments"), on the one part, and the Eastern Extension Australasia and China Telegraph Company, Limited (hereinafter called "the Company"), on the other. 4th December, 1878.

THAT the Company shall, subject to the approval of the shareholders, contract with the Governments for the construction of a second cable from Singapore direct to Banjoewangie, and thence direct to Port Darwin, for an annual subsidy of £32,400, and shall sign the contract and necessary conditions on or before the 1st July, 1879.

2. That such subsidy shall be payable for a period of twenty years, subject to the provisions hereinafter contained.

3. That the Company shall, throughout the whole of the period during which such subsidy shall be payable, maintain in full working order, the act of God or the Queen's enemies excepted, such second cable, and also its present lines of cable between Singapore and Batavia, and Banjoewangie and Port Darwin.

4. That the Company shall, before such subsidy shall become payable, lay a second cable between Singapore and Penang, and thereafter shall, in like manner, maintain the same, the act of God or the Queen's enemies excepted, and its present lines of cable between Singapore and Penang, Penang and Madras, Penang and Rangoon, in full working order.

5. That the Company shall, in consideration of the subsidy herein agreed to be paid, and whilst that subsidy is payable, allow a rebate on Government messages, hereinafter defined, exchanged between England and Port Darwin, reducing their own proportion of the charge to the extent of 50 per cent. upon the present rate; and on Press messages exchanged between England and Port Darwin, as hereinafter defined, will reduce their own proportion of the charge to the extent of 75 per cent. upon the present rate: Provided that such reduction shall not be extended to any colony other than such as may contribute towards the subsidy.

6. That the Company shall complete and open for communication the second cables above mentioned between Singapore and Port Darwin and Singapore and Penang within eight months from the date of the signing of the contract: Provided always that the Company shall not be held liable for any loss or damage which the colonies may sustain in consequence of delay in completing the said cables, in the event of such delay being caused by war, inevitable accident, or other contingency over which the Company can have no control.

7. That, in the event of the Company completing and having the duplicate cable above mentioned open for communication within the period herein contracted for, the subsidy payable by the Government shall commence and accrue four months after the signing of the contract; but the Company shall not be entitled to any payment under this clause until the said cables shall have been actually completed and are open for communication as above stated.

8. That the said subsidy shall be payable quarterly in London to the Company in sterling money, free of all deductions.

9. That, in the event of any total interruption in the communication between Port Darwin and Singapore, the subsidy shall cease *pro rata* for the period of such interruption: Provided that, if the interruption be caused by reason of war or any such-like cause, the subsidy shall continue, but the Company shall be bound to restore such communication at the request and cost of the Governments.

10. The Company shall at all times hereafter give priority in transmission through the said cable to all Government messages; being such as are exchanged between Her Majesty's Principal Secretary of State for the Colonies or the various Agents-General on the one hand, and the Governors or Chief Secretaries of the various colonial Governments on the other, on matters relating to the administration of the Governments.

11. Press messages must be addressed to registered newspapers only, and shall be for *bond fide* publication in full. They must be in English, in plain language, and intelligible; no cypher, code, groups of figures or letters, or words of concealed meaning to be used.

12. The Company shall not, during the currency of this agreement, increase its own proportion of the charges for messages exchanged between Port Darwin and London beyond the rates provided for herein—namely: For governmental messages, per word, 2s. 10d.; for Press messages, per word, 1s. 5d.; for all other messages, per word, 5s. 8d.

13. That the Governments shall have the right, during the currency of the subsidy aforesaid, to purchase the Company's cable, lines, and other property between Singapore and Port Darwin, on equitable terms, to be fixed, in case of difference, by arbitration; twelve months' previous notice to be given to the Company of the intention to exercise this right: Provided always that the right shall not be exercisable till the Company shall for five years have paid a dividend equal to 10 per cent. per annum, or shall for that period have passed 10 per cent. per annum to its Reserve or other accumulated Fund.—J. F. BURNS, New South Wales (witness to signature—S. H. Lambton); GRAHAM BERRY, Victoria (witness to signature—W. H. Odgers); T. G. GLOVER, Eastern Extension Australasia and China Telegraph Company (witness to signature—T. BAWDEN.)

No. 14.

The POSTMASTER-GENERAL, Sydney, to the POSTMASTER-GENERAL, Wellington. Sydney, 29th May, 1879.

COMPANY has asked what colonies contribute to subsidy for duplication cable, in order that reduced rates upon Government and Press messages may be charged. Do not find your assent in papers after first negotiation fell through. Please intimate your assent, in order that arrangements may be carried out.—SAUL SAMUEL, Postmaster-General.

No. 15.

The POSTMASTER-GENERAL, Wellington, to the POSTMASTER-GENERAL, Sydney. Wellington, 31st May, 1879.

NEW ZEALAND joins in scheme for duplication as finally proposed, as per printed memorandum of agreement dated 4th December, 1878, of course subject to consent of Parliament, which meets early in July. A sum sufficient to meet New Zealand's proportion of subsidy will be placed on estimates.—J. T. FISHER.

No. 16.

The COLONIAL SECRETARY, Wellington, to the AGENT-GENERAL, London.

Colonial Secretary's Office, Wellington, 3rd June, 1879.

SIR,—I have the honor to request you to be good enough to inform the Board of Directors of the Eastern Extension Australasian and China Telegraph Company that this colony has signified its intention of joining in the scheme for duplication of the cable.

I enclose copies of telegrams from and to the New South Wales Government on the subject.—I have, &c., G. S. WHITMORE.

The Agent-General for New Zealand, London.

No. 17.

The SUPERINTENDENT, Cable Company, Sydney, to the GENERAL MANAGER of TELEGRAPHS, New Zealand. 6th November, 1879.

OUR Board ask if your Government willing dispense with "Agnes," repairing steamer, in terms agree.

ment signed Wellington, 8th July, 1878, by Fisher, Burns, and Glover. If so, reduced tariff might come into force. Reply, as two months' notice to be given National Office.—TAYLOR.

No. 18.

The GENERAL MANAGER of TELEGRAPHS, Wellington, to the SUPERINTENDENT, Cable Company, Sydney, 23rd December, 1879.

THE Commissioner says cable ship may go, so far as the New Zealand Government is concerned; but it is to be understood such consent in no way commits the Government to the duplication subsidy, consent of Parliament not having yet been obtained.—C. LEMON, General Manager.

No. 19.

The POSTMASTER-GENERAL, Wellington, to the AGENT-GENERAL for NEW ZEALAND, London. Wellington, 2nd January, 1880.

SIR,—You will be aware that, by an arrangement with the Eastern Extension Australasia and China Telegraph Company (Limited) for a duplicate cable, it was provided that the tariff for "Government messages" to and from the arranging colonies should be considerably reduced. But it has been brought to my notice that, owing to the limitation put upon the term "Government Messages" in the written agreement with the Company, a large proportion of the telegraphing connected with the public business of New Zealand has been paid for at full rates.

The limitation referred to will be found in paragraph 10 of the agreement of 1878. That paragraph has been so far modified by the Company, at the request of this Government, that New Zealand "Government messages" are to be sent by and to the Premier instead of the Chief Secretary; but it remains that any message sent by the Premier to or received by him from the Loan Agents for the Colony, the Crown Agents for the Colonies, or any body or person except the Agent-General, is held to be not a "Government message," and is charged for at full rates.

I am of opinion that such a limitation is unreasonable, and ought not to have been inserted in the agreement.

To meet the difficulty, it is proposed that all telegrams upon public business from New Zealand shall be sent to the Agent-General, whose registered address for the time being shall be used; and that, when a message is not for the Agent-General, or not solely for him, the first word in its body shall be a code word, indicating the department, institution, person, or to whom the message is to be forwarded or its contents communicated. This will effect a considerable saving, and it cannot, I think, be open to objection on the score of inconvenience.

I am forwarding to the Loan Agents and to the Crown Agents a copy of this letter, with a request that they will communicate with you, so that any objection to the proposal, or any suggested modification of it, may be promptly considered by the Government.

If, after the receipt of this letter, you telegraph "Duplicated" as the first word of a message, I shall understand that my proposal has been considered as is now suggested, and that it is regarded as not open to objection.—I have, &c., JOHN HALL.

No. 20.

The AGENT, Eastern Extension Australasia and China Telegraph Company, to SUPERINTENDENT of TELEGRAPHS, Wellington, 9th January, 1880.

GLOVER telegraphs that, according to agreement, it is necessary for New South Wales to notify to us the Government's contribution to the duplicate cable subsidy, so as to admit to benefit of reduced rates. This has not yet been done for New Zealand. Please get it done at once, as, if Company do not act up to contract as legally drawn, we shall get into difficulties: hence my desire to get all formalities complied with. Please reply.—S. KNEVITT, Agent, Eastern Extension Australasia and China Telegraph Company, Adelaide.

No. 21.

The SUPERINTENDENT, Cable Company, Sydney, to the SUPERINTENDENT of NEW ZEALAND TELEGRAPHS. 22nd January, 1880.

WITH reference your message 23rd December release "Agnes," our Board cannot understand your reservation, or the difficulty. When Colonel Glover in Wellington your Government agreed to contribute, and since then Vogel has formally notified to Company that his Government has joined.—TAYLOR, Superintendent Cable.

No. 22.

The SUPERINTENDENT, Cable Company, Sydney, to SUPERINTENDENT of TELEGRAPHS, Wellington. 22nd January, 1880.

BEG also to point out that you have claimed benefits of a contributing colony in reduced rates for through Government messages, and have received them. Please explain.—TAYLOR.

No. 23.

The SUPERINTENDENT, Cable Company, Sydney, to SUPERINTENDENT of TELEGRAPHS, Wellington. 28th January, 1880.

PLEASE reply to my service of 22nd. Board want have some explanation your former message, therein referred to.—TAYLOR.

No. 24.

SUPERINTENDENT of TELEGRAPHS, Wellington, to SUPERINTENDENT, Cable Company, Sydney. 28th January, 1880.

Re service of 22nd, please see Hon. Mr. Hall's telegram to Postmaster-General, Sydney, this day.—C. LEMON.

No. 25.

AGENT-GENERAL, London, to the PREMIER, New Zealand. 27th January, 1880.

EASTERN Telegraph says you must intimate through Government New South Wales your joining in subsidy; otherwise not entitled to new tariff.—VOGEL.

No. 26.

The POSTMASTER-GENERAL, Wellington, to the POSTMASTER-GENERAL, Sydney. 28th January, 1880.

WE are informed from London that this Government must intimate through you our joining in subsidy for duplicate cable; otherwise not entitled to reduced tariff. Telegram to you from Postmaster-General Fisher, 31st May, 1879, stated New Zealand joins subject to consent of Parliament. Question not yet brought before New Zealand Parliament owing to pressure of other business. Without prejudice to our position as above stated, willing to pay subsidy until Parliament decides. Reduced tariff very little value to New Zealand.—JOHN HALL, Postmaster-General.

No. 27.

The POSTMASTER-GENERAL, Sydney, to the POSTMASTER-GENERAL, Wellington. 3rd February, 1880.

REFERRING to your telegram 28th January, Colonial Secretary has been requested to instruct our Agent-General to inform Cable Company that your Government agrees to pay share cable subsidy until your Parliament considers and decides matter.—SAUL SAMUEL.

No. 28.

The AGENT-GENERAL, London, to the COLONIAL SECRETARY, Wellington.

SIR,—

26th January, 1880.

Referring to your letter No. 84, of the 3rd June last, desiring me to inform the Board of Directors of the Eastern Extension Australasia and China Telegraph Company that New Zealand had signified its intention of joining in the scheme for duplication of the cable, I have the honor to transmit herewith copy of a telegram with which Colonel Glover, the Chairman of the Company, has furnished me, and respecting which I was unable to give him any information, as I had received no further communication from the colony since I informed, in accordance with instructions, the Eastern Extension Company of the intention of New Zealand to join in the scheme.

Colonel Glover added that it was a matter of no great importance to his Company, inasmuch as the subsidy was guaranteed by the Victorian and New South Wales Governments, but that it affected New Zealand inasmuch that, if the New Zealand Government desired to take advantage of the reduced rates provided for in the contract, their joining in the scheme must be advised to the Company through the New South Wales Government.

I have, &c.,

JULIUS VOGEL.

(Enclosure.)

TAYLOR, Sydney, to GLOVER, London. 20th January, 1880.

ZEALAND Government replies cable ship may go so far we are concerned; but it is to be understood such consent in no way commits the Government to the duplication subsidy, consent of Parliament not having been obtained. I can't get reply from Sydney. They trying arrange that all colonies share in duplicate subsidy.—TAYLOR.

No. 29.

The POSTMASTER-GENERAL, Wellington, to the AGENT-GENERAL for NEW ZEALAND, London.
Wellington, 28th February, 1880.

SIR,—On the 2nd January I addressed to you a letter explaining that I had ascertained that many telegrams to and from England strictly on Government business were being charged for at full rates, notwithstanding the liability of this colony to contribute largely towards a subsidy payable to the Eastern Extension Australasia and China Telegraph Company, one of the objects of which was to secure a reduction of charge on Government messages, and I made suggestions as to a remedy for this state of things, which had arisen out of the limited meaning which, in the agreement with the company, had been put upon the term "Government message."

I supposed that messages between the Agent-General and the Premier, as being clearly within the arrangement, were being transmitted at the reduced rates; but the voucher sent by you for payments to the Company during November last shows that the full charge of 10s. 8d. per word was made for messages from yourself to the Premier, as well as for those from the Loan Agent to the Premier.

I cannot now ascertain whether you were officially advised of the making of the agreement with the Company, or whether a copy of that document was sent to you. If not, I beg to refer you to the Appendix to the Journals of the House of Representatives, Session I., 1879. You will see that New Zealand's adherence to the agreement is subject to the approval of Parliament, which has not yet been obtained; but the question will be raised as soon as conveniently it can be after the House meets in May next.

The rate per word payable to the Company under the agreement (exclusive of the Australian cable charge) is 7s. 10d. This is what is paid to the Company here upon messages from the Premier to yourself, and more should not have been collected in London upon messages from yourself to the Premier. I am advised that the Company will, upon application, refund the excess of payment made.

I am of opinion that telegrams such as pass between the Crown Agents for the Colonies or the Loan Agents for New Zealand and the Premier are in the strictest sense "Government messages," and that to require that they should be paid for at full rates is entirely opposed to the spirit of the agreement, whatever may be supposed to be implied by the letter of it.

I beg that you will represent this matter fully to the Company for the purpose of obtaining the repayment and the reduction I have indicated. I shall be glad to receive a reply from you at the earliest date possible, in order that, when the question of approving the agreement is brought before Parliament, I may be able to explain what has been the decision of the Company. I think it not improbable that that decision may considerably influence Parliament in its vote upon an arrangement which, I am bound to say, appears to me to be, on the whole, very disadvantageous to New Zealand.—I have, &c., JOHN HALL.

No. 30.

The POSTMASTER-GENERAL, New South Wales, to the POSTMASTER-GENERAL, New Zealand. 16th April, 1880.

OUR Agent-General asks if he is to give notice to Cable Company that you consent to contribute to subsidy on the ground that our advice to him, that you have intimated your willingness to join in payment of subsidy until the Parliament of your colony has had the opportunity of giving its sanction to the same, is not clear. Please advise.—SAUL SAMUEL, Postmaster-General, Sydney.

No. 31.

The POSTMASTER-GENERAL, New Zealand, to the POSTMASTER-GENERAL, New South Wales. 17th April, 1880.

CABLE subsidy. On 31st May, 1879, Postmaster-General New Zealand telegraphed you, "New Zealand joins in scheme for duplication as finally proposed as per printed memorandum of agreement dated 4th December, 1878, of course subject to consent of Parliament." As already reported, it has not yet been possible submit question Parliament, but will do so in approaching session. Meanwhile Government willing pay New Zealand's proportion of subsidy until Parliament decides. Is this sufficiently clear and explicit?—JOHN HALL, Postmaster-General.

No. 32.

The AGENT-GENERAL, London, to the POSTMASTER-GENERAL, Wellington. 21st April, 1880. IF you pay subsidy to date to New South Wales, and they consent, Company will give rebate to date.—VOGEL.

No. 33.

The POSTMASTER-GENERAL, Wellington, to the POSTMASTER-GENERAL, Sydney. 23rd April, 1880. FOLLOWING telegram received from Agent-General, London: "If you pay subsidy to date to New South Wales, and they consent, Company will give rebate to date." Does New South Wales give consent which appears to be required? If so, subsidy will be paid.—JOHN HALL.

No. 34.

The POSTMASTER-GENERAL, Sydney, to the POSTMASTER-GENERAL, Wellington. 23rd April, 1880. SIR D. COOPER was instructed by telegram on 21st instant as follows: New Zealand contributes. Give notice to Company.—SAUL SAMUEL.

No. 35.

The Hon. ROBERT RAMSAY, Melbourne, to the POSTMASTER-GENERAL, Wellington. 27th April, 1880.

OBLIGE by instructing your Agent-General to pay New Zealand's portion of the cable subsidy to the Company on 1st May, as Tasmania, Western Australia, and Queensland will not join. Proportions, to be paid severally by New South Wales, Victoria, South Australia, and New Zealand, are £9,740 10s. 8d., £12,996 12s. 9d., £3,490 9s. 5d., and £6,172 7s. 2d. annually. Moieties of above are payable on 1st proximo.—ROBERT RAMSAY.

No. 36.

The COMMISSIONER of TELEGRAPHS, Wellington, to the Hon. ROBERT RAMSAY, Melbourne. 29th April, 1880.

DUPLICATE cable having only been open for traffic on 28th January, half-year's subsidy not due until 28th July. Amount payable by New Zealand stated in Mr. Berry's letter 23rd December, 1878, to be £5,355.—JOHN HALL.

No. 37.

The SUPERINTENDENT, Cable Company, Sydney, to SUPERINTENDENT of TELEGRAPHS, Wellington. 8th May, 1880.

OUR Company complaining that subsidy for duplication not paid, as agreed, first quarter's due on 28th April in London. Please say what New Zealand's proportion, and how arrived at. Sydney and Melbourne only colonies who have paid. There is now due for quarter £579 odd. An early reply begged.—TAYLOR.

No. 38.

The SUPERINTENDENT of TELEGRAPHS, Wellington, to SUPERINTENDENT, Cable Company, Sydney. 9th May, 1880.

Re subsidy for duplication. Please see telegrams, Hon. Saul Samuel to Postmaster-General, Wellington, of 16th April, and reply to same of 17th April; also, from Hon. John Hall to Postmaster-General,

Sydney, of 23rd April, and reply of same date; also, from Hon. Robert Ramsey, Melbourne, to Colonial Secretary, Wellington, on 27th April, and reply thereto on 29th April. No reply to this latter message has been received, and the Commissioner directs me to say that the reason amount has not been paid is that New Zealand was, in the first place, asked to pay half-year's subsidy, when only quarter due, and then the amount is in excess of what it was understood New Zealand would be called upon to pay. As soon as the question of amount payable by New Zealand is settled, our Agent-General will be instructed to pay amount due.—C. LEMON.

No. 39.

The SUPERINTENDENT, Cable Company, Sydney, to the SUPERINTENDENT of TELEGRAPHS, Wellington, 11th May, 1880.

CRACKNELL tells me Western Australia agrees join; Tasmania and Queensland refuse; and that proportions are: New South Wales, £9,615 2s. 7d.; Victoria, £12,829 6s. 4d.; South Australia, £3,445 10s. 8d.; Western Australia, £417 2s. 6d.; New Zealand, 6,092 17s. 11d.—TAYLOR.

No. 40.

The SUPERINTENDENT, Cable Company, Sydney, to the SUPERINTENDENT of TELEGRAPHS, Wellington, 12th May, 1880.

In my service *re* duplication subsidy, 8th instant, please read, "Agreed second quarter due end April; by agreement first quarter subsidy due end January, second quarter end April." Please say if your Agent-General instructed pay, or can I do anything else explain matters.—TAYLOR.

No. 41.

The SUPERINTENDENT of TELEGRAPHS, Wellington, to the SUPERINTENDENT, Cable Company, Sydney, 13th May, 1880.

THE Commissioner desires to know how two quarters' subsidy can be due at the end of April, when cable only open for traffic on 28th January. Please reply.—C. LEMON.

No. 42.

The SUPERINTENDENT, Cable Company, Sydney, to the SUPERINTENDENT of TELEGRAPHS, Wellington, 14th May, 1880.

SEE clauses 8 and 9, London agreement.—TAYLOR.

No. 43.

The SUPERINTENDENT of TELEGRAPHS, Wellington, to the SUPERINTENDENT, Cable Company, Sydney, 14th May, 1880.

WE have no copy of the London agreement.—C. LEMON.

No. 44.

The SUPERINTENDENT, Cable Company, Wakapuaka, to the SUPERINTENDENT of TELEGRAPHS, Wellington, 14th May, 1880.

HEREWITH forward for your assistance copy of clauses 8 and 9 of London agreement. With regard to payment of subsidy, clause 8 states that the subsidy of £32,400 is to be paid by equal quarterly payments, for the period of twenty years, to be computed from the day when the cables shall be laid and open for use; or, if such last-mentioned day shall happen within eight calendar months from the 1st July, 1879, then to be computed from the expiration of four calendar months after such last-mentioned day. Clause 9 says that, if the cables are laid within eight calendar months from the 1st of July, 1879, the first of such quarterly payments shall become due at the expiration of seven calendar months from the said 1st July, 1879. Is this sufficiently explicit? You will see the first quarters' subsidy was due on 31st January, and the second quarter on 30th April.—J. S. SHAPLEY.

No. 45.

THE POSTMASTER-GENERAL, Wellington, to the Hon. ROBERT RAMSAY, Melbourne, 15th May, 1880. BEG to request reply to my message of 29th April. Have received communication from Company; but, as New Zealand has no arrangement with the Company, information required from yourself.—JOHN HALL.

No. 46.

THE CHIEF SECRETARY, Victoria, to the POSTMASTER-GENERAL, Wellington, 21st May, 1880. *Re* cable subsidy. Regret delay in replying to your telegram of 29th April. Reference to contract. Clauses 8 and 9 will show that cable having been opened within the time, first payment became due on 1st February, and second on 1st May. Queensland and Tasmania decline to join in subsidy; therefore fresh adjustment necessary, and on population basis, proportions are: Victoria, £12,829 6s. 4d.; New South Wales, £9,615 2s. 7d.; South Australia, £3,445 10s. 8d.; New Zealand, £6,092 17s. 11d.; Western Australia, £417 2s. 6d. Please instruct your Agent-General to inform Agent-General of New South Wales that you contribute. See clause 11 of contract. Highly desirable no further delay take place in concluding the matter.—CHIEF SECRETARY, Victoria.

No. 47.

THE POSTMASTER-GENERAL, Wellington, to the CHIEF SECRETARY, Victoria, Wellington, 29th May, 1880.

Re cable subsidy. Under your explanation this Government is willing to pay share cable subsidy without prejudice to condition stated in Mr. Fisher's telegram 31st May last, that the adoption of the scheme by New Zealand is subject to approval of its Parliament. We have never seen copy of London agreement quoted by you. If you will send one, we will give necessary instructions to our Agent-General.—JOHN HALL.