

[Read here Enclosure 3 in No. 118, and Enclosures 5 and 6 in No. 119.]

No. 142.

The SECRETARY, General Post Office, Wellington, to the ACTING-MANAGER in AUSTRALASIA,  
Eastern Extension Company, Melbourne.

SIR,— General Post Office, Wellington, 29th December, 1899.  
I have been directed to acknowledge the receipt of your letter of the 8th August last,  
forwarding information regarding the sliding scale proposed by your company in connection with  
the Cape cable. I have, &c.,  
W. GRAY, Secretary.

The Acting-Manager in Australasia,  
Eastern Extension, Australasia, and China Telegraph Company (Limited), Melbourne.

No. 143.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
13th January, 1900.

SIR,— In the last week of December I received from the Agent-General for Victoria copies of  
correspondence which had passed between the Premiers of New South Wales, Victoria, New  
Zealand, and Queensland relative to certain proposals of the Eastern Extension Company as to  
laying the cable between Australia and South Africa, and the terms upon which they were pre-  
pared to lay it. The covering letter of the Premier of Victoria stated that the Governments of the  
four colonies had decided to refer the matter to the Australasian delegates on the Pacific Cable  
Board and to the Agent-General for Queensland. I also gathered that we were to confer with the  
High Commissioner for Canada, and possibly go on to discuss the question with the Colonial  
Office and the directors of the Eastern Extension Telegraph Company. The four Australasian  
Agents-General referred to discussed the matter, and on the 8th of this month had a meeting with  
the High Commissioner for Canada. The Agents-General for Victoria and Queensland and myself  
were quite clear that the proposals of the Telegraph Company, if accepted, would be fatal to the  
commercial success of the Pacific cable, and that they had probably been made with this object.  
The High Commissioner for Canada entirely concurred in this view, and it was agreed that a  
telegram giving our opinions should be sent to the Premier of Victoria, and through him to yourself  
and the Premier for Queensland. The Agent-General for New South Wales declined to join with  
us in doing this, on the ground that some six weeks previously he had forwarded a letter from his  
Government to the Colonial Office asking for the opinion of the Imperial Government on the  
proposals of the Telegraph Company. He stated also that the Colonial Office had replied to this  
to the effect that, subject to certain unimportant provisos, it saw no objection to the proposals.  
I think I may say that this information from the Agent-General for New South Wales caused us  
some surprise.

The second meeting of the Pacific Cable Board took place on the 9th of this month. All the  
delegates were present except Lord Aberdeen. A number of communications were read from  
experts and officials as to the cost of the cable and the advantages of the route proposed. It  
would appear that since 1896, when the Imperial Commission sat, the Admiralty has taken a  
number of soundings between Vancouver, Fanning Island, and Norfolk Island. The result of this  
is reassuring. The bottom on which the cable will have to be laid is favourable, being of brown  
ooze, and fairly level. There are no remarkable chasms, and the greatest depth is slightly over  
3,400, instead of being as deep as 4,000 fathoms which was at one time suggested. It would  
seem that Fanning Island will make a very good landing-station. Another point elicited is that a  
French company has lately laid a cable across the Atlantic from Brest to Cape Cod, which is only  
400 miles shorter than the longest link of the proposed Pacific cable. Since 1896, moreover,  
various savings in processes connected with the working of cables have been discovered, which will  
materially reduce the cost. As against this, there has been a sharp rise in copper and guttapercha,  
which will considerably increase the expensiveness of the materials. The main difficulty, how-  
ever, which we will have to face is that large orders have been lately given for the manufacture of  
cables, so large as to absorb all the guttapercha in the market for some time to come. I have no  
doubt whatever that this is in part due to the Eastern Extension Company.

I have, &c.,  
W. P. REEVES.

The Hon. the Premier, Wellington.

No. 144.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

SIR,— Premier's Office, Sydney, New South Wales, 17th January, 1900.  
I have the honour to transmit, for your perusal, a copy of a minute which has been  
written by my honourable colleague the Postmaster-General, relative to the proposals of the  
Eastern Extension Telegraph Company (Limited).

I should be glad to be favoured with your Government's views before we come to a final  
decision; and, in view of the urgency of the matter, perhaps they could be telegraphed.

I have, &c.,  
WILLIAM JOHN LYNE.

The Hon. the Premier, Wellington.