

QUEENSLAND,

Legislative Assembly,

CONSTRUCTION OF TELEGRAPH CABLE BETWEEN NEW ZEALAND AND NEW SOUTH WALES, AND BETWEEN NORMANTON AND SINGAPORE, AS AGREED UPON AT THE CONFERENCE HELD AT SYDNEY IN 1873.

(FURTHER PAPERS AND CORRESPONDENCE RESPECTING)

Laid on the Table of the Legislative Assembly by Command, and Ordered to be Printed, 12th August, 1875.

No. 1.

THE AGENT-GENERAL to THE COLONIAL SECRETARY.

Queensland Government Offices,
32, Charing Cross, S.W.,
5th March, 1875.

SIR,

I have the honor to forward correspondence which has taken place since the last mail, with reference to the Singapore cable negotiations.

I should wish to be informed of the full meaning of clause 7 of conditions for the construction of the cable, viz. :—

“ Queensland to undertake to keep the land line to Normanton open for the use of the other contributing colonies, at rates not to exceed at any time seven shillings for twenty words.”

You will observe that, in reply to the Messrs. Siemens' query, four, on this subject, the interests of Queensland have been fully protected; but it would be advisable to furnish me, by telegram, with the views of the Government in regard to both Messrs. Siemens' inquiries, and in regard to clause 7, so that if the points raised should be considered of importance to define accurately at a later stage of the negotiations, I may be able to give this more exact definition.

I have, &c.,

RICHARD DAINTREE,
Agent-General.

(Enclosure A in No. 1.)

12, Queen Anne's Gate,
(Formerly known as 8, Park street,)
London, S.W., 25th February, 1875.

Julius Vogel, Esquire.

SIR,

We beg to confirm our letter of the 13th instant. Our Mr. Carl Siemens has not yet returned from the Continent, although we supposed he would be back before this, as mentioned to Mr. Fox. We therefore write to inform you that we have obtained from the Board of Directors of the Indo-European Telegraph Company some valuable concessions, having for their object to assist us in our endeavors to raise the necessary capital for the establishment of the intended telegraph line.

Nevertheless, it appears to us that the conditions offered by the Governments of New Zealand, New South Wales, and Queensland, as contained in the resolutions passed by their respective Legislative Assemblies, and ratified in June, 1874 (as far as we are informed), do not offer enough encouragement to capitalists to subscribe funds towards the undertaking; and even the further assistance which the Indo-European Telegraph Company has kindly consented to place at our disposal, although imposing considerable sacrifice upon themselves, cannot do much to improve the financial prospects of the company materially.

We are fully satisfied that our position and the means at our command, as to the raising of the required capital, are most favorable. From inquiries and negotiations we have had with some of our friends of the highest influence and position in financial matters, we cannot, however, but come to the conclusion that it would be not only very difficult, but probably impossible, now and for some time to come, and as long as the shares of most submarine telegraph lines remain at so great a discount as they are at present, to raise the necessary funds; and we would, therefore, respectfully submit a reconsideration of these terms, with a view to afford the investing public a more favorable guarantee than the present conditions.

We

We consider it our duty to recommend most strongly a reconsideration of these conditions, and we fully believe that the granting of more favorable conditions will not only considerably contribute to the object of the Governments named, namely, the establishment of a second Australian telegraph line, but also greatly accelerate its attainment. We should be most happy, in the event of such reconsideration, to submit our views on these subjects to the Colonial Governments. We are, however, fully prepared, should for the moment the attainment of such modifications be impossible, to use our best endeavors for the establishment of the company, and the raising of the capital at the terms given. For that purpose, however, we should feel obliged if you would give us some information on the following points, viz. :—

Paragraph 1 of the Resolutions is the following :—

“The three colonies shall jointly enter into an arrangement for the construction of an electric cable to be laid between some point in New Zealand and some point in New South Wales, and also a cable to be laid from Normanton, in Queensland, to Singapore; the latter to be a through line, touching only at such points as may be agreed on, and to be entirely distinct the whole distance from the line between Port Darwin and Singapore.”

1st Point.—Will the new company be at liberty to select in New Zealand as well as in New South Wales any point they themselves will consider most convenient and safe for the landing and the durability of the cable intended to be laid; and will the Governments of New Zealand and New South Wales undertake to connect their system of overground lines in those countries with the points or stations where the cable is respectively landed?

This information is needed to enable us to fix the construction and length of the various types which constitute the cable, which must be selected according to the nature of the route and of the ground over which the cable is intended to pass, so that we may be in a position to arrive at figures respecting the cost of the line, and enabled to approach financial men with definite estimates.

2nd.—Will the Governments of the three colonies leave the new company at liberty to touch and establish stations as far as the cable from Normanton to Singapore is concerned, at such points of the intervening islands as the company may decide on, as long as the company fulfils the condition that the new line be entirely distinct the whole distance from the cable between Port Darwin and Singapore; which clause we understand to mean that the line between Singapore and Normanton is to be established in such a manner that messages transmitted by it from Singapore to Normanton are not, as a rule, to be passed through any section of the line laid down between Port Darwin and Singapore.

This information is required by us for the same reasons stated respecting the 1st point, viz. :—To enable us to fix the locality and construction of the cable, so as to arrive at definite figures as to cost.

3rd Point.—Will the Colonial Governments leave the company at liberty to decide themselves as to the choice and construction of the cable? as it would be no use to approach financial men on the subject without having absolutely settled questions of this nature, which so materially will affect the capital of the company.

Paragraph 3 of the Resolutions contains the following concluding sentence :—

“But if the profits are more than ten per cent., the Government may require that the rates shall be lowered to amounts calculated to reduce the profits to ten per cent.”

And paragraph 7 reads as follows :—

“Queensland to undertake to keep the land line to Normanton open for the use of the other contributing colonies, at rates not to exceed, at any time, seven shillings for twenty words.”

4th Point.—As, according to the above quoted paragraphs, the Governments reserve to themselves the right to reduce the rates for the messages along the submarine lines, if the income of the new company exceeds ten per cent., will, in case of such reduction of rates, the rate established for the land line connecting Normanton, and which the Queensland Government undertakes to keep in order, be reduced in the same ratio?

We take it for granted that the maximum tariff of seven shillings for twenty words over that land line includes transmission to any telegraph station in Queensland, New South Wales, or New Zealand, as far as transmission through land wires, in any or all of the said colonies, is concerned, so that the tariff for a twenty words' message from Singapore to any telegraph station in Queensland or New South Wales would not exceed £2 7s.; and from Singapore to any telegraph station in New Zealand, £3 2s.

5th Point.—Should the three Colonial Governments require from the new company a guarantee for the carrying out of the said line, what would be the terms and conditions under which they will demand such guarantee? We request you to be so kind as to communicate the contents of this letter to the Representatives of Queensland and New South Wales.

We have, &c.,

p. pro Wm. Siemens Brothers,

L. LOAFFLER.

To Julius Vogel, Esquire, R. Daintree, Esquire, Sir Daniel Cooper.

(Enclosure B in No. 1.)

London, 3rd March, 1875.

GENTLEMEN,

We have the honor to acknowledge the receipt of your letter of the 25th February.

2. We are glad to learn that you have obtained from the Board of Directors of the Indo-European Telegraph Company some valuable concessions, having for their object to assist you “in your endeavors to raise the necessary capital for the establishment of the intended telegraph line.”

3. In reply to your expression of opinion—that the terms proposed do not offer sufficient inducement to capitalists to subscribe towards the undertaking—we have to remind you that those terms are in conformity with the Provisional Agreement made with your Representative in New South Wales; and we have not the power, even if we had the inclination, to extend the terms.

4. Respecting

4. Respecting the information for which you ask, we have to reply:—First, That the points at which one cable would have to be landed in New South Wales and New Zealand would have to be approved of by the Governments of those colonies, and that the Governments will undertake to connect their systems of overground lines with the cable at the points so approved of. The inclination of the two Governments, we may say, is to fix the points of connection at some place near Sydney and some place in the South Island of New Zealand. Second—The Governments have already informed your Representative in New South Wales that they would require that the proposed line should not touch at Java, and that they are willing it should touch at the south end of Celebes, near Macassar. The Governments, in accordance with the terms of the letter addressed by your Representative in Sydney to Mr. Vogel, dated March 3rd, 1873, will stipulate for the right of approving the cables to be employed. They will require cables of serviceable strength, approved by engineers of eminence, appointed by the Governments. Under the proposed Agreement, the contractor will be as much interested as the Governments in maintaining the lines. Fourth—We will, if the necessity arises, telegraph to the Government of Queensland on point 4, referred to in your letter. We can only now say, we believe that the Government would agree to reduce the rate for messages along the land line from Normanton in proportion to any reduction made in the charge for messages to or from Singapore.

You write, you "take it for granted that the maximum tariff of seven shillings for twenty words over that land line includes transmission to any telegraph station in Queensland, New South Wales, or New Zealand, as far as transmission through land wires in any or all of the said colonies is concerned, so that the tariff for a twenty words message from Singapore to any telegraph station in Queensland or New South Wales would not exceed £2 7s.; and from Singapore to any telegraph station in New Zealand, £3 2s." In reply, we have to say, that we do not understand that it was intended, by anything contained in the Provisional Agreement, to pledge the Government of New South Wales to pass messages along their lines without making the usual charges; nor that it was intended that the Government of New Zealand should refrain from making the usual charges for messages passing along their land lines. But we understand that the Government of Queensland is to charge only 7s. for a twenty words message between Normanton and any telegraph station in Queensland.

As to the fifth point, respecting which you ask for information, we will require substantial guarantees for the fulfilment of any arrangement made. We are not willing to grant a concession from which the concessionaries might retire at pleasure.

5. We have to remind you that when your Mr. Carl Siemens called upon us, some weeks since, he undertook to see us again in a week. He subsequently wrote that, in consequence of having to see the Indo-European Company, he would be unable to keep the appointment he had made. We believe that the Directors of the Indo-European Company met several days before your letter was written, but Mr. Siemens did not deem it necessary to communicate with us at once. We desire to say, that whilst we do not object to allowing a reasonable time for consideration, it is important that the negotiations should be proceeded with without delay; and inasmuch you do not consider you are legally bound to us, it is clear that, in confining our negotiations to your firm, we are giving you an advantage, in return for which we have the right to expect the utmost promptitude on your part. At this stage of the negotiation, nothing is to be gained by correspondence which cannot much better be arrived at by personal interview. We shall be happy to see you on Tuesday next, at half-past two o'clock, at Mr. Vogel's residence, when we hope a definite conclusion will be arrived at.

We have, &c.,

JULIUS VOGEL.
RICHARD DAINTREE.
DANIEL COOPER.

No. 2.

THE AGENT-GENERAL to THE HONORABLE THE COLONIAL SECRETARY.

19C-75.

Queensland Government Office,
32, Charing Cross, S.W.,
April 2nd, 1875.

SIR,

With further reference to the Cable negotiations, and in continuation of my letter of 5th March, I have the honor to forward copy of the correspondence which has taken place since the date of my last communication. A.R.C.D.E.F.

At a meeting held on the 19th March, to consider the points raised in Messrs. Siemens' letter of that date, it was intimated to those gentlemen that we could not depart from the conditions of the resolutions agreed to by our respective Governments, and that unless they were prepared to carry out those terms in their integrity, the negotiation with them must cease.

They said, it was impossible for them to enter into a contract on these terms, and the negotiations with them have accordingly been brought to a close.

Negotiations are in progress with other Companies, but at present, with little chance of leading to a satisfactory result.

I enclose letters addressed to the Honorable Julius Vogel, and a report from Mr. Fleming Jenkin, for your information.

When exception was taken to calling at Macassar, by Messrs. Siemens, on account of the great extra expense and loss of traffic by not touching at Java, Mr. Jenkin was of opinion that these points had great weight, and suggested that the Queensland Government should be asked to make such concessions.

I replied

I replied that all these points had been settled at the Conference, and must therefore stand.

On the receipt of Memorandum (C) from Messrs. Vogel and Cooper, I, however, agreed to forward a telegram on the subject; but your reply still further confirms, that no departure whatever is to be made from the resolutions, so far as Queensland is concerned.

I have, &c.,

RICIARD DAINTREE,
Agent-General.

(Enclosure A in No. 2.)

12, Queen Anne's Gate,
London, 6th March, 1875.

GENTLEMEN,

In reply to your letter of the 3rd March, we beg to inform you that our Mr. Carl Siemens will meet you as requested, on Tuesday next, at half-past two o'clock, at Mr. Vogel's residence.

In reply to a passage of your said letter we beg to submit the following facts:—The meeting of the Directors of the Indo-European Telegraph Company took place on the 15th February, whereas our letter to you, of the 13th February, was delivered at Mr. Vogel's residence, by special messenger, on that same date, and is therefore evident that the meeting took place after the letter was written and delivered.

We cannot admit that any unreasonable delay has been caused by us, for the resolution passed by the Indo-European Telegraph Company, on the 15th February, required careful consideration, and induced us to enter into a correspondence with the company on that subject. As our Mr. Carl Siemens had left for Paris shortly after the meeting of the Indo-European Telegraph Company, and did not return as early as we had expected, we again addressed you on the 25th February, with a view to protract further delay on that account, and we are glad that our communication has resulted in clearing some points which were doubtful.

Having your letter of the 3rd of March before us, we have called a meeting of the projectors of the new company, for Monday next, in order to expedite matters as far as lies in our power.

We will also, as soon as the landing places of the cable are positively fixed, prepare specification for the intended cables which we will submit to your approval at an early date.

This is indispensable in order to form a correct idea of the capital required for carrying out the undertaking.

We, at present, refrain from touching other points raised in your letter.

We have, &c.,

SIEMEN BROTHERS.

To Julius Vogel, Esquire, R. Daintree, Esquire, Sir Daniel Cooper.

(Enclosure B in No. 2.)

London, March 12th, 1875.

GENTLEMEN,

We have the honor to acknowledge the receipt of your letter of March 5.

2. In reply we have to inform you, that we have taken advice as to the specifications for the proposed cables between Singapore and Normanton, and New Zealand and Australia. The result of that advice leads us to the conclusion that the cables you propose would be in the nature of an experiment, and an experiment, moreover, which previous experience does not justify.

We shall not be willing to accept cables of less strength than those indicated in red on the specifications returned herewith.

After copying these alterations, we shall be obliged by your returning the originals, which we forward to you to save time.

3. You will allow us to observe, that the interests of the persons who find the capital are under the proposed arrangements similar to those of the Governments, in respect to adopting sufficiently strong cables. Indeed, their interest is from one point of view larger, since the guarantee is only to continue whilst the lines are in good order.

Possibly, therefore, the persons supplying the capital may require stronger lines than we have indicated; in justice to themselves we are sure they cannot require less.

4. We should, of course, require that the specification contain clauses specifying the quality of the material to be used; and that the contract contain provisions to enable us to watch the progress of the work.

5. We have not verified the lengths of the several types of cable, nor the entire lengths of the lines, and express no opinion as to their correctness.

6. We will communicate with you separately on the subject of the Java deviation. That part of the specification which points to a route by Java we do not accept at present.

7. With respect to the land line, on the Malay Peninsula, between Penang and Singapore, we must inform you that we shall stipulate, in case that line does not work satisfactorily, we shall call upon you to lay a cable instead.

We have, &c.,

JULIUS VOGEL,
DANIEL COOPER,
R. DAINTREE.

Messrs. Siemens Brothers, &c., &c.

(Enclosure C in No. 2.)

MEMORANDUM FOR MR. DAINTREE.

After the opinion expressed by Mr. Fleming Jenkins as to the proposed cable to Macassar, and the expediency of letting it touch at Java, it seems to us impossible, with any show of reason, to resist the strong representations of a similar nature made by Messrs. Siemens Brothers.

We

We therefore urge you to concede the point, upon the clear understanding that a line, quite distinct from the present line, be supplied. There seems to us no difficulty in allowing the line to touch at Java, and at the same time protecting the colonies from a collusion, which would be detrimental to the competition which is desired.

We also desire to strongly express to you our opinion, that the Government of Queensland should give to the Governments of New South Wales and New Zealand, the advantage of a rate for land messages to Normanton, as low as the rate adopted in the colony itself. Not only is this fair to the contracting colonies, but if such a plan be not adopted messages will be forwarded to Queensland for re-transmission, and a most inconvenient system will grow up.

If you are not able to concede these points, will you, by cable, ask your Government to enable you to do so?

JULIUS VOGEL.
DANIEL COOPER.

87, Gloucester Place,
March 12, 1875.

(Enclosure D in No. 2.)

MEMORANDUM FOR MESSRS. VOGEL AND COOPER.

With reference to your memorandum of 12th instant, urging the concession of allowing the Singapore-Normanton cable to touch at Timor and Java instead of Macassar, I have previously pointed out that my instructions are very definite, that Macassar shall be the only repeating station between Singapore and Queensland.

After the opinion expressed by Mr. Fleming Jenkin, and your own strong appeal on this point, I have, however, at once telegraphed to my Government for further instructions.

I have, at the same time, asked for a full explanation of clause seven of the resolutions, in order to give a definite reply to the second point raised in your memorandum.

RICHARD DAINTREE.

32, Charing Cross,
March 13th, 1875.

(Enclosure E in No. 2.)

TO MACALISTER, BRISBANE.

London, 18th March, 1875.

To avoid useless additional cost Fleming Jenkin advises cable shall touch Timor and Java instead of Macassar quite distinct from present line Vogel and Cooper urge acceptance this advice Information required re clause seven. Does the seven shillings twenty words cover charge land line New South Wales and New Zealand Advise fully.

RICHARD DAINTREE.

(Enclosure F in No. 2.)

12, Queen Anne's Gate,
(Formerly known as 8, Park street,
London, S.W., 19th March, 1875.

GENTLEMEN,

With reference to your letter of the 12th instant, we beg leave to say that we quite agree with you, that the construction of the cables contemplated should, in the interest of all parties concerned, be as strong as possible. We also beg to state, that the specification for the definite contract will contain clauses providing for the quality of materials to be used, and we shall be most happy to make arrangements to enable you to watch the progress of the work.

While awaiting your further communications on the subject of the Java deviation, we deem it our duty at once to inform you, that at a meeting which we had yesterday with the gentlemen in combination with whom we endeavor to carry out this project, the conclusion was arrived at that £12,000 provided to cover expenses are far too small an amount.

This conclusion was arrived at for the following reasons:—

The starting point for bringing Normanton and New Zealand in accordance with your stipulations, in independent telegraphic communication with Europe, must necessarily be some point on the coast of India proper, south of Calcutta, and the company intended to be formed will, therefore, actually have to provide telegraphic communication between India proper and New Zealand.

To carry out such project successfully, they consider that the Queensland Government should allow the company to earn a far larger amount to cover working expenses and maintenance, to make provision for reserve fund, and to allow payment of a dividend to the shareholders upon a capital exceeding £1,000,000, and that, therefore, the receipts of the company should only be taken in reduction of the £50,000 per annum, to be guaranteed by the Colonial Governments, after the company has earned such larger amount intended to meet expenses, reserve, and dividend upon the entire line from India to New Zealand.

We are instructed to submit the above suggestion on behalf of the gentlemen referred to; and our Mr. Carl Siemens will, at to-day's meeting, confer further with you upon the subject.

We have, &c.,
SIEMEN BROTHERS.

To J. Vogel, Esquire, C.M.G., Richard Daintree, Esquire, Sir Daniel Cooper, Bart.

Brisbane, 23rd March, 1875.

To DAINTREE, LONDON, *via* FALMOUTH.

Government insist on separate line *via* Macassar otherwise contract not to be entered into The charge of seven shillings covers cost of transmission over Queensland line only.

MACALISTER.

(Sub-Enclosure 1 in No. 2.)

Eastern Extension Australasia and China Telegraph Company, Limited,

No. 490.

66, Old Broad street,
London, E.C., 8th March, 1875.

SIR,

Having been informed of your arrival in this country for the purpose of making arrangements for the extension of the Telegraphic system to New Zealand, I have the honor to address you on behalf of the company I represent, and to state that I am prepared to undertake the laying of a cable to connect New Zealand with the Continent of Australia on such terms as may be determined in consultation, should you entertain my offer.

The scheme to which I believe your attention is at present directed, involves the larger plan of not only an extension of the telegraphic system to New Zealand, but also of a cable between Australia and India, in addition to that already laid down by this company. If the information I possess is correct, the three Governments of New Zealand, Queensland, and New South Wales have entered into an agreement for the promotion of this scheme by guaranteeing a payment of 5 per cent. per annum on an outlay of one million sterling, which is the estimated cost of the scheme in question.

Without knowing how far your Government may be committed to this scheme, I have thought it right, in justice to the large body of shareholders of this company and the large sum of money they have invested, to point out to you that the traffic, as at present developed, does not promise a sufficient return for the support of two cables with the large outlay they involve. It may be interesting to you to know that the total traffic between Australia and all parts of the world does not exceed an average of from 20 to 22 messages daily, so that a second cable is in no way called for to provide for this traffic, nor does its construction hold out any prospect of financial success.

I would further beg to urge that this company, without subsidy or assistance of any kind, in the hope that it might meet a fair return for its expenditure, came forward and provided a communication which the Australian Colonies had long felt the want of, and which, in spite of several endeavours, they had been unable to obtain; and I cannot but think it very hard, when no necessity exists, and when this company has not reaped that benefit it had a right to expect, that several of the Colonial Governments should combine for the purpose of supporting a scheme which offers very doubtful chances of success in itself to the detriment of the company I represent.

I trust I may be pardoned in bringing forward the case of the Imperial Government, which, when purchasing the telegraphic lines in the United Kingdom, refused to entertain the question at all unless the whole of the companies then in existence were absorbed; one of the chief reasons of this action being that it was unwilling to enter into competition with private companies, as the weight of the Government on the one side would be so injurious and detrimental to private enterprise on the other. The cases appear to me very similar, and I therefore quote the action of the Imperial Government as embodying a principle applicable to all Governments under the Crown.

The arguments employed in favor of a second cable are, I believe, that it is for the benefit of the public, inasmuch that competition will lead to a reduction of the present tariff; and that two lines will ensure a certainty of communication in case of one or the other of the cables being temporarily interrupted at any time.

With regard to these arguments, I would merely observe that if the traffic does not suffice for the support of the two lines, they will prove so unremunerative that, in case of serious accident to either, it may become a question with the shareholders, whether it is worth while to repair their line, at the certainty of a considerable immediate outlay, for the protection of a property that already does not pay them. In this case, you will see that the objects sought to be obtained by a second cable will be defeated, and the colonies will again be reduced to a single cable, with its apprehended attendant evils of monopoly. I am aware that it is argued that a reduction of tariff will lead to such an increase of traffic that it will suffice for at least the moderate support of two lines. But unfortunately, in telegraphic experience, it is not found to be the case that a reduction of charge leads to a proportionate increase of traffic—that is to say, that with half charges the number of messages is not doubled; but even if it were, it merely results that the amount of work and cost of establishments is largely increased, while the gross returns remain the same.

While on the subject of tariff, it may be well to remember that the working capacity of a cable is limited, so that a simple calculation will determine the tariff at which the amount of traffic can be carried with a fair return on the capital invested; moreover it must be recollected that cables are perishable property, and that, therefore, a considerably greater return on their cost is required than if the property were of a more permanent nature; the time they will last is not yet fairly ascertained, as it is dependent on so many circumstances as to position and the nature of the seas they traverse; but to make the property fairly safe the profits ought to allow of a considerable percentage on the capital invested being laid by annually as a reserve for the renewal of the lines. I am sorry to say the profits of none of the Eastern Telegraph Companies has yet allowed of this being done on a sufficient scale.

In countries so widely separated as Australia and England, where the modes of life and individual interests are so different, it is found that telegrams of a private or social character are seldom exchanged, nor do I think the practice would spring up even if the tariff were comparatively nominal. The principal point, therefore, to consider is the tariff on commercial messages, which are those which almost exclusively pass over our lines. I am aware that great objections are made to tariffs generally, and that we are told that the number of messages would greatly increase if the cost were less, and the facilities offered were greater. Where these facilities have been tried on the American and Eastern Lines, this has not proved to

be the case; but it has been found that those engaged in commerce will not send one message more than the exigencies of their business require, and, as almost each message refers to some transaction which will prove remunerative to the sender, it seems but fair that those who have supplied that facility should have a fair return for it, especially when it is considered that this charge forms but a very small item in the profits of the transaction. It must, moreover, be borne in mind that the public have taken very efficient means for their own protection by the use they make of codes, which enable them by the employment of a single word to convey the meaning of an entire sentence; they also, by employing Packing Agencies, are enabled to send as few as two or three words, so that they are able to limit their expense at pleasure, while the information they transmit is only limited by the intelligence with which their code is compiled. As far, therefore, as the public is concerned, I do not think there is much cause for Government interference.

It may perhaps be urged that in its own interest the Government desires a reduction of charges, to which I can only reply that it is a simple calculation whether it is cheaper to pay a somewhat enhanced charge for infrequent messages or to pay a sum of £50,000 per annum for its reduction by one-half.

Should the object of the several Governments concerned have been to obtain a more direct communication between the Eastern Colonies and the terminus of the present cable than that which now exists, I think no difficulty would have been found in arranging terms for a cable between Normanton and the mouth of the Roper River, and for a land line thence to Port Darwin. The plan might have been accomplished in concert with the South Australian Government and this company, and would have been much less expensive than that now sought to be carried out.

I have entered somewhat fully into these questions, and I trust I may not have troubled you by the length of my remarks. I have, however, thought it well to put the case before you that it may be considered in all its bearings. In recapitulation I would beg to represent that this Company does not consider a second line called for in the present state of the traffic, but that if the public consider one required it should be left to the public to supply it without the direct assistance and countenance of the Government. That this company considers it should have gained the recognition and countenance of the Governments for the spirited nature of its enterprise in laying its cable without assistance, and is very much disappointed in consequence at the present action of the Governments. That if a cable is required to New Zealand this company is willing and ready to treat for it on a fair and equitable basis.

I have, &c.,

JOHN PENDER,

Honorable Julius Vogel, C.M.G., Premier of New Zealand, &c., &c., &c.

Chairman.

(Sub-Enclosure 2 in No. 2.)

3, Great Stuart street,
Edinburgh, 31st March, 1875.

DEAR SIR,

I have now the honor to report as follows in answer to the questions which you have put to me in your letters of March 22nd and 26th:—

1st. As to the probable cost of the cable from Singapore to Normanton, touching at Sourabaya and Timor; and of the cable from New South Wales to New Zealand, as specified in the documents supplied by Messrs. Siemens and amended by me, on Friday, March 12.

I estimate the cost of the cable at £1,980,000, or say one million one hundred thousand pounds. This estimate does not include those items which are usually paid under separate contracts distinct from that entered into with the manufacturer of the cable.

These items, which may be stated as the expense of instruments, stations, engineering, general supervision, stores, and the purchase of a maintenance ship, may be roughly taken as about £100,000, making the total *cash* expenditure, by a Company or Government, about £1,200,000 before remunerative work begins. This estimate includes no interest on capital during construction.

2nd. The cost of similar cables starting from Singapore, but touching at Macassar only, between Singapore and Normanton.

The change in the length of the section and in the nature of the bottom, requires a re-arrangement of lengths, and several modifications in the design of the cables.

I have appended a memorandum of the length and types of cables on which I base my estimate.

I estimate the contract for the manufacture and laying of this cable at £1,193,000, or, say, one million two hundred thousand.

The incidental expenses would, as in the first estimate, amount to about £100,000 in addition, making the total prime cost £1,800,000.

The expense of going by Macassar is not quite so great as I anticipated; there is an actual saving in length and in the shore ends required, and the core between Singapore and Macassar hardly requires any increase above that required in the Singapore-Sourabaya line.

3rd. The probable working expenses of the two lines proposed:—

The suggested sum of £12,000 is wholly insufficient. I estimate the working expenses, including the annual expense of a maintenance vessel, at £30,000, with a station at Timor, at £27,000 without that station.

If the lines are worked by a company I think these sums will probably be exceeded.

These working expenses do not include repairs requiring new cable. It is really impossible to pre-cast the probable cost of repairs, but they will certainly add materially to the above estimates of working expenses.

4th. As to the necessity of a reserve fund, or, rather, sinking fund:—

I think there can be no doubt that a sinking fund is required by all cable companies; no cables can be expected to last for ever, even with a liberal expenditure for repairs. We have not yet sufficient data to allow of trustworthy calculations of the probable life of a cable. A sinking fund sufficient to pay off the capital of the company in twenty years would not, in my judgment, be excessive.

In making the above estimates, I have given what I consider a covering estimate of the *cash* cost of cables. No company would be expected to lay the cables without a capital considerably in excess of the estimates I have given. Shares would inevitably be taken by the contractors in payment, rated considerably below their nominal value.

I am of opinion that tenders could now be obtained for cash at a sum considerably within that named by me, but I do not think it would be safe to take lower estimates as the basis of any comparison between the advantage of laying cables, and employing companies to lay and work them under a subsidy.

I do not by any means feel certain, but the working expenses of the cables, if bought and laid by the colonies, will not exceed the sums I have named; but with economical arrangements, I think they could be worked for those sums.

Yours, &c.,

FLEEMING JENKIN.

Richard Daintree, Esquire.

P.S.—A complete survey will be absolutely necessary if the cable is to go to Macassar—no cable could be laid until thorough soundings have been taken. I doubt if any contractor would send a ship without these having been previously made, nor will any contractor undertake the extra and uncertain expense of sounding. Memorandum of the lengths and types of cables to be employed on the Singapore-Macassar, Macassar-Normanton line:—

Section 1st—Singapore-Macassar, copper 98lbs., S.P. 180lbs per knot—					
Main Cable, 12 wires 0.184 diamr.	...	...	...	...	1,120 knots
Intermediate, 10 wires 0.224 diamr.	...	...	...	...	24 "
Shore end, 12 wires 0.4 diamr.	...	...	...	...	66 "
					1,210 knots
Section 2nd—Macassar-Normanton, copper 240lbs., S.P. 260lbs.—					
Main Cable, 15 wires Wo. 0.124 diamr.	...	...	...	...	1,718 knots
Intermediate, 10 wires 0.224 diamr.	...	...	...	...	74 "
Light Shore end, 10 wires 0.365 diamr.	...	...	...	...	50 "
Heavy Shore end, 12 wires 0.4 diamr.	...	...	...	...	18 "
Total					1,860 knots

No. 3.

THE AGENT-GENERAL to THE COLONIAL SECRETARY.

268-75.

Queensland Government Office,
32, Charing Cross, S.W.,
30th April, 1875.

SIR,

With farther reference to the cable negotiations, and in continuation of my letter of April 2nd, I have the honor to inform you that, after Messrs. Siemens had withdrawn from farther negotiations on the basis of the resolutions agreed to by the respective Governments concerned, interviews were held with the representatives of the Telegraph Construction and Maintenance Company, the India Rubber, Gutta Percha, and Telegraph Works, Limited, &c., but each, in turn, refused the terms offered in the resolutions.

Clauses 8 and 10 were the chief causes of such prompt refusal.

The sum named in clause 3 was considered far too small; and as the Secretary of State for India was not prepared to offer any assistance at present to the contractors for a duplicate cable from Singapore to any point in India, clause 10 was considered as virtually binding any contractor for the Singapore, Normanton, and New Zealand cables, to the construction of a Singapore-India cable, without any guarantee of additional subsidy.

This no one was prepared to do; and as any further combined action seemed hopeless, Mr. Vogel was, at his solicitation, released from his engagement, so far as Singapore-Normanton line was concerned.

The following telegram, forwarded on the 26th instant, conveyed this intelligence to you:—

“Joint cable negotiations have failed Vogel arranging Sydney-New Zealand line under clause nine of his Act.”

Attached correspondence, marked G H I J, is that which has accrued since the date of my last communication, and is forwarded for your information.

I have, &c.,

RICHARD DAINTREE,
Agent-General.

(Enclosure G in No. 3.)

268 75.

12, Queen Anne's Gate,
London, 30th March, 1875.

DEAR SIR,

We very much regret to learn, from your favor of yesterday that the Queensland Government insists upon the cable touching at Macassar.

To answer your inquiry, we shall have to consider and work out the constructions of cables to meet the requirements of either a route direct from Singapore to Normanton, only touching at Macassar, or a route touching at Java, Macassar, and Timor, as such cables would, in many respects, deviate in construction from those of which we submitted specifications, officially. This will take some little time; and

as we do not like to commit the gentlemen who have joined with us to promote this project, we shall then have to call a meeting, with the view to enable us to reply to the question as to the working expenses, sinking fund, &c.

We therefore request your indulgence, that we cannot, under the circumstance, reply at once more fully to your letter, which, however, has our best attention.

We are, &c.,

SIEMENS BROS.

Sir Daniel Cooper, Bart., &c., &c., &c.

12, Queen Anne's Gate,
London, S. W.,
8th April, 1875.

DEAR SIR,

We have duly received your letter of the 1st instant, and although we have not yet been able to go into all the details of the construction of the cables to meet the various requirements indicated in your letter of 29th ultimo, we have considered the points sufficiently to arrive at the following conclusions.

A company will have to raise a capital of about £1,000,000 to connect Singapore with Normanton, *via* Java and Timor, by an efficient cable. If such cable is to touch at Macassar as well, we think that about £50,000 should be raised in addition, to cover the extra expenditure, provided the bottom of the sea, where the cable is to be placed to reach Macassar, is practicable for the purpose.

If the cable were to go direct from Singapore to Normanton, touching only at Macassar, we calculate that, at least, £1,300,000 would have to be raised by the company.

These figures, however, refer only to a part of the project. Should this project be carried out in its entirety, the money to be raised to bring India proper into independent telegraphic communication with Queensland, New South Wales, and New Zealand, would be considerably larger; and it was the opinion of the promoters of the Indo-Australasian Telegraph Company, when we brought this question before them, that the company intended to be formed for the carrying out of the whole scheme should be allowed to earn £80,000 a-year, to cover working expenses, maintenance, reserve fund, and to give them a fair chance of earning a reasonable dividend, before any receipt of the company should be taken in reduction of the £50,000 per annum intended to be guaranteed by the Colonial Governments.

We remain, &c.,

SIEMENS BROS.

Sir Daniel Cooper, &c., &c., &c.

(Enclosure H in No. 3.)

SPECIFICATION No. 1.

For the Submarine Telegraph Cable from Singapore to Normanton.

A.—The cable from Singapore to a point near Sourabaya, in the Island of Java:—

Core.—The conductor to consist of a strand of three copper wires, weighing 86 lbs. per nautical mile of 2,029 yards, or within five per cent. thereof. Conductor.

The conductivity of the conductor to be equal to at least 90 per cent. of pure copper.

The conductor to be covered with three coatings of gutta percha and compound.

The dielectric to weigh 120 lbs. per nautical mile, or within five per cent thereof. Dielectric.

The total weight of the core, when completed, to be 206 lbs. per nautical mile, or within five per cent thereof. Weight of core.

Serving.—The core to be covered with a serving of jute yarn, and to be immersed in water. Serving.

Outer coverings.—The main cable to consist of the served core, sheathed with 12 galvanised "best" iron wires, laid on helically; the diameter of each wire to be 0.118 of an inch when galvanised, or within 2½ per cent thereof. This cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. 730 miles (nautical) of this main cable are to be supplied. Main cable No. 4607. Best.

The light shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be .224 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Thirteen nautical miles of this (light shore-end) cable are to be supplied. Light shore-end cable, No. 4608.

The heavy shore-end cable to consist of the main cable No. 4607, without the outer servings of jute and compound, but further served with tarred jute yarn, and sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0.400 of an inch when galvanised, or within 2½ per cent. thereof. Sixty-six nautical miles of this heavy shore-end cable are to be supplied. Heavy shore-end cable, No. 4611.

Total length required for this section, 809 nautical miles.

B.—The cable from Sourabaya to a place near Koepong, on the Island of Timor:—

Core.—The conductor to consist of a strand of three copper wires, weighing 86 lbs. per nautical mile of 2,029 yards, or within 5 per cent. thereof. Conductor.

The conductivity of the conductor to be equal to at least 90 per cent. of that of pure copper.

The conductor to be covered with three coatings of gutta percha and compound. The dielectric to weigh 120 lbs. per nautical mile, or within 5 per cent thereof. Dielectric.

The total weight of the core, when completed, to be 206 lbs. per nautical mile, or within 5 per cent. thereof. Weight of core.

Serving.—The core to be covered with a serving of jute yarn, and to be immersed in water. Serving.

Outer

Light main cable, No. 4,605

Outer coverings—The light main cable to consist of the served core, sheathed with 15 galvanised homogeneous iron wires, laid on helically; the diameter of each wire to be '086 of an inch when galvanised, or within 5 per cent. thereof. The wires to have an average breaking strain of 50 tons per square inch, or within 5 per cent. thereof, and an elongation averaging not less than three-quarters per cent., when tested in lengths of 10 inches. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. 705 nautical miles of this (light main) cable are to be supplied.

Heavy main cable, No. 4,607.

The heavy main cable to consist of the served core, sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0'118 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. 166 nautical miles of this (heavy main) cable to be supplied.

Light shore-end cable, No. 4,608.

The light shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be '224 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Four nautical miles of this (light shore-end) cable are to be supplied.

Heavy shore-end cable, No. 4,611.

The heavy shore-end cable to consist of the heavy main cable, No. 4,607, without the outer servings of jute and compound, but further served with tarred jute yarn, and sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0'400 of an inch when galvanised, or within 2½ per cent. thereof. Sixteen nautical miles of this (heavy shore-end) cable are to be supplied.

Total length required for this section, 891 nautical miles.

C.—The cable from near Koepang to Normanton:—

Conductor.

Core.—The conductor to consist of a strand of seven copper wires, weighing 150 lbs., per nautical mile of 2,029 yards, or within 5 per cent. thereof.

Dielectric.

The conductivity of the conductor to be equal to at least 90 per cent. of that of pure copper. The conductor to be served with three coatings of gutta percha and compound. The dielectric to weigh 160 miles per nautical mile, or within 5 per cent. thereof.

Weight of core.

The total weight of the core, when completed, to be 310 lbs. per nautical mile, or within 5 per cent. thereof.

Serving.

Serving.—The core to be covered with a serving of jute yarn, and to be immersed in water.

Light main cable, No. 4,612.

Outer coverings.—The light main cable to consist of the served core, sheathed with 17 galvanised homogeneous iron wires, laid on helically; the diameter of each wire to be '086 of an inch when galvanised, or within 5 per cent. thereof; the wires to have an average breaking strain of 50 tons per square inch, or within 5 per cent. thereof, and an elongation averaging not less than three-quarters per cent. when tested in length of 10 inches. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. 643 nautical miles of this (light main) cable are to be supplied.

Heavy main cable, No. 4,615.

The main cable to consist of the served core, sheathed with 14 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0'118 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. 685 nautical miles of this (heavy main) cable are to be supplied.

Light shore-end cable, No. 4,617.

The light shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be '224 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Sixty-five nautical miles of this (light shore-end) cable are to be supplied.

Medium shore-end cable, No. 4,619.

The medium shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be '365 of an inch when galvanised, or within 2½ per cent. thereof. Fifty-three nautical miles of this (medium shore-end) cable to be supplied.

Heavy shore-end cable, No. 4,621.

The heavy shore-end cable to consist of the heavy main cable, No. 4,615, without the outer servings of jute and compound, but further served with tarred jute yarn, and sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0'400 of an inch when galvanised, or within 2½ per cent. thereof. Two nautical miles of this (heavy shore-end) cable are to be supplied.

Total length required for this section, 1,448 nautical miles.

SPECIFICATION No. 8.

For the Submarine Telegraph Cable from Cape Howe, in New South Wales, to Milford Sound, in New Zealand.

Conductor.

Core.—The conductor to consist of a strand of seven copper wires, weighing 100 lbs. per nautical mile of 2,029 yards, or within 5 per cent. thereof.

Dielectric.

The conductivity of the conductor to be equal to at least 90 per cent. of that of pure copper. The conductor to be covered with three coatings of gutta percha and compound. The dielectric to weigh 132 lbs. per nautical mile, or within 5 per cent. thereof.

Weight of core.

The total weight of the core, when completed, to be 232 lbs. per nautical mile, or within 5 per cent. thereof.

Serving.

Serving.—The core to be covered with a serving of jute yarn, and to be immersed in water.

Light main cable, No. 4,611.

Outer coverings.—The light main cable to consist of the served core, sheathed with 90 strands of wire and hemp, laid round helically; each strand to consist of a galvanised homogeneous iron wire, surrounded with five yarns of St. Petersburg or Manila hemp, laid on helically, and each strand passed through a compound of mineral pitch, tar, and silica.

Each homogeneous iron wire is, on the average, to be '099 of an inch in diameter when galvanised, or within 5 per cent. thereof. The homogeneous wires to have an average breaking strain of 50 tons per square inch, or within 5 per cent. thereof, and an elongation averaging not less than three-quarters per cent., when tested in lengths of 10 inches.

The

The completed cable to be passed through a similar compound as the strands which form the sheathing. 1,080 nautical miles of this (light main) cable are to be supplied.

The heavy main cable to consist of the served core, sheathed with 13 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0.118 of an inch when galvanised, or within 2½ per cent thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Thirty nautical miles of this (heavy main) cable are to be supplied. Heavy main cable, No. 4,627.

The light shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be .224 of an inch when galvanised, or within 2½ per cent thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Ten nautical miles of this (light shore-end) cable are to be supplied. Light shore-end cable, No. 4,628.

The heavy shore-end cable to consist of the heavy main cable, No. 4,627, without the outer servings of jute and compound, but further served with tarred yarn, and sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0.365 of an inch when galvanised, or within 2½ per cent thereof. Ten nautical miles of this (heavy shore-end) cable are to be supplied. Heavy shore-end cable, No. 4,629.

Total length required for this section, 1,180 nautical miles.

SUMMARY.

Singapore to Sourabaya	...	...	...	...	809 nautical miles.
Sourabaya to Koepang	...	...	...	...	891 " "
Koepang to Normanton	...	...	...	...	1,448 " "
Australia to New Zealand	...	...	...	...	1,130 " "
					4,278 " "

London, March 9, 1875.

SIEMENS BROTHERS.

SPECIFICATION No. 3A.

For the Submarine Telegraph Cable from Sydney, in New South Wales, to Cape Farwell, in New Zealand.

Core.—The conductor to consist of a strand of seven copper wires, weighing 100 lbs., per nautical mile of 2,029 yards, or within 5 per cent. thereof. Conductor.

The conductivity of the conductor to be equal to at least 90 per cent. of that of pure copper.

The conductor to be covered with three coatings of gutta percha and compound. Dielectric.

The dielectric to weigh 182 lbs. per nautical mile, or within 5 per cent thereof.

The total weight of the core, when completed, to be 232 lbs. per nautical mile, or within 5 per cent. thereof. Weight of core.

Serving.—The core to be covered with a serving of jute yarn, and to be immersed in water. Serving.

Outer coverings.—The light main cable to consist of the served core, sheathed with nine strands of wire and hemp, laid round helically; each strand to consist of a galvanised homogeneous iron wire, surrounded with five yarns of St. Petersburg or Manila hemp, laid on helically, and each strand passed through a compound of mineral pitch, tar, and silica. Each homogeneous iron wire is, on the average, to be .099 of an inch in diameter when galvanised, or within 5 per cent thereof. The homogeneous wires to have an average breaking strain of 50 tons per square inch, or within 5 per cent. thereof, and an elongation averaging not less than three-quarters per cent., when tested in lengths of 10 inches. Light main cable, No. 4,611.

The completed cable to be passed through a similar compound as the strands which form the sheathing. 1,289 nautical miles of this (light main) cable are to be supplied. Weight of hemp, with 20 per cent. of tar, 982 lbs.

The heavy main cable to consist of the served core, sheathed with 13 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0.118 of an inch when galvanised, or within 2½ per cent thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compounds. Thirty nautical miles of this (heavy main) cable are to be supplied. Heavy main cable, No. 4,627.

The light shore-end cable to consist of the served core, sheathed with 10 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be .224 of an inch when galvanised, or within 2½ per cent. thereof. The cable to have an outer protective covering of two servings of jute yarn, wound on in contrary directions, with two coatings of asphalt compound. Ten nautical miles of this (light shore-end) cable are to be supplied. Light shore end cable, No. 4,628.

The heavy shore-end cable to consist of the heavy main cable, No. 4,627, without the outer servings of jute and compound, but further served with tarred yarn, and sheathed with 12 galvanised "best best" iron wires, laid on helically; the diameter of each wire to be 0.365 of an inch when galvanised, or within 2½ per cent thereof. Ten nautical miles of this (heavy shore-end) cable are to be supplied. Heavy shore end cable, No. 4,629.

Total length required for this section, 1,339 nautical miles.

SUMMARY.

Singapore to Sourabaya	...	...	...	...	809 nautical miles.
Sourabaya to Koepang	...	...	...	...	891 " "
Koepang to Normanton	...	...	...	...	1,448 " "
Australia to New Zealand	...	...	...	...	1,339 " "
					4,487 " "

London, March 10, 1875.

SIEMENS BROTHERS.

3, Great Stuart street,
Edinburgh, 22nd March, 1875.

DEAR SIR,

With reference to the terms on which I am willing to act as engineer for the proposed line from Singapore to Normanton, and from Sydney to Cape Farewell, I beg leave to inform you—First: That I shall be willing to act as engineer for the whole line or any portion of it, performing all the duties which the engineer of a company usually undertakes, for the sum of £2 10s. per knot. For this sum I will inspect the core, the manufacture of the cable, and the quality of the materials employed. I will also send out a competent staff to superintend the laying, and to test each section for thirty days after its completion; the number of men sent with any one expedition not to exceed four. Secondly: That I will exercise a general superintendence over the manufacture of a less minute character, and send one or two competent hands to superintend the laying of the cable, for the sum of £1 10s. per knot. For this sum I will keep two men constantly employed at the works, who should exercise a general superintendence over the manufacture, occasionally testing the quality of the materials, and testing the electrical properties of the cable, in a sufficient manner to secure that no unsound cable should leave the works. One or two men should accompany each expedition, and should test the cables during thirty days after the submersion. Thirdly: I will test each section of the cable, before shipment and after shipment, for 10s. per knot, and I will send a competent man to superintend the submersion, with each expedition, for another 10s. per knot; my responsibility to cease at the end of the thirty days' tests, or, at latest, within three years from the present date.

My third tender may seem rather high for occasional reports, but it would involve my having competent men and suitable apparatus always ready, during, perhaps, three years.

As you already know, my charge for advising on the specification, until the manufacture actually commences, will be £250. If either of the first tenders are accepted, I shall ask leave to have Sir William Thompson's name associated with mine; but my terms would be the same, whether the request be acceded to or not.

With reference to which tender I would advise you to accept, it much depends on the engineer whom the company carrying out the work may appoint. If they have an electrical engineer of high standing, who undertakes minute supervision of the manufacture and laying, I do not think that the Governments would be justified in spending the sum that I ask in my first tender; if, on the other hand, the company has for engineer a gentleman who has not much experience in the supervision of cable contracts, then I think that money would not be wasted in securing careful inspection.

I remain, &c.,

FLEEMING JENKIN.

3, Great Stuart street,
Edinburgh, 22nd March, 1875.

DEAR SIR,

I have now received and examined the charts showing the seas between Singapore and Normanton, and between Sydney and Cape Farewell. I hoped to have been able to examine the route along which the Eastern Company's cables lie, but their engineers regret that they cannot oblige me by giving the information I asked for. It becomes, therefore, very desirable that the charts which I sent three years ago with my report should be found, and, if abroad, sent home. To the best of my recollection, these charts had the existing line marked on them.

With respect to the lengths proposed by Messrs. Siemens, I am of opinion that the total length of cable named for each section is sufficient. I am also of opinion, that for the lines joining Singapore with Sourabaya, and Sourabaya with Koepang, the lengths of each type are judiciously chosen, so far as I can judge, without knowledge of the exact route proposed by Messrs. Siemens.

On the line between Koepang and Normanton, I observe that Messrs. Siemens propose to use 643 miles of deep-sea cable. This indicates an intention on their part to lay the cable from Koepang along a course about two points to the north of east, following what may be called a deep-water channel for nearly 640 miles. I am of opinion that it would be better to cross this deep-water channel by the shortest route, decreasing the length of deep-sea cable, and increasing the length of shallow-water cable, sheathed with 14 wires of 124 inches diameter. At the same time, I admit that there is room for a difference of opinion on this point. Some engineers might prefer the deep-water channel; and I cannot say that their choice would be so wholly unreasonable as to entitle the Commissioners to refuse their sanction to it. I beg leave, however, to suggest that the Directors should be asked to re-consider the line proposed for this section. I should also prefer a greater length of shallow-water cable on the New Zealand line. It appears to me that the company is about to lay the deep-sea type in a depth where the shallow-water type would be preferable; at the same time, I have frequently employed the type of cable they propose for these intermediate depths.

I remain, &c.,

FLEEMING JENKIN.

(Enclosure I in No. 3.)

268-75.

Telegraph Construction and Maintenance Company, Limited,
Offices, 38, Old Broad street,
London, E.C.,

7th April, 1875.

GENTLEMEN,

In reply to your invitation that this company should consider the proposal which you have placed before us, for the construction and laying of a submarine cable between New Zealand and New South Wales, and between Normanton, in Queensland, and Singapore, on the basis of certain conditions, set forth in the several proceedings of the Legislative Assemblies of the three colonies concerned, and repeated in the instructions which you have received from your respective Governments, and which you have been good enough to favor us with a perusal of, I have the honor to inform you that, under the terms of the conditions referred to, it would not be possible to raise the capital necessary to carry out this great operation.

Our

Our long experience in the construction and laying of all the great oceanic lines, which at present exist, convince us that it would neither be just, nor conducive to the public interests which you represent, or to the interest of submarine telegraphy in general, to attempt to form a company and raise capital unless we could guarantee to the shareholders such a reasonable dividend as they would have a right to expect from money invested. We are, therefore, reluctantly compelled to decline the proposals which you have submitted to us.

As, however, at our interview yesterday, you expressed a desire that we should suggest some modified basis upon which we would be prepared to treat, I will take an early opportunity of bringing the subject under the consideration of the directors, when you may be assured it will receive that careful attention which its importance demands, and I will then do myself the honor of communicating further with you.

I am, &c.,

GEORGE HENRY RICHARDS,
Rear Admiral,
Managing Director.

Sir Daniel Cooper, Bart.; Julius Vogel, Esquire, C.M.G.; Richard Daintree, Esquire.

(Enclosure J in No. 3.)

268-75.

The India Rubber, Gutta Percha, and
Telegraph Works Company, Limited,
106, Cannon street,
30th April, 1875.

DEAR SIR,

It was with great regret that the directors of this company found themselves unable to tender to the Commissioners of the Governments of New South Wales, New Zealand, and Queensland, for the establishment of submarine telegraphic cables between New Zealand and New South Wales, and between Normanton and Singapore, under the memorandum of conditions dated 14th February, 1873, signed by the Representatives of the same Governments.

The conditions expressed in that memorandum did not appear to the directors of this company to be such as to afford to the company any reasonable prospect of obtaining, from English capitalists or the English public, the necessary capital for the undertaking.

The allowance of £12,000 per annum for working expenses was inadequate for a cable system with at least five stations; and the want of provision for the foundation of a fund to meet repairs and pay dividends whilst the guarantee might be suspended, would be an insuperable objection to the raising of the capital in England. There were also other points in the conditions on which difficulties would have arisen.

We are, however, satisfied that it may be possible for our company to execute the contemplated work, on terms to be arranged with the Governments concerned, to the mutual advantage of both parties; and, in accordance with a suggestion made by you, we subjoin particulars of what we would submit to the Governments as the heads of arrangement for the purpose.

Understanding that the section between New Zealand and New South Wales will be dealt with separately, we enclose specifications of cables proposed to be laid between Singapore and Macassar, and between Macassar and Normanton, and we should be prepared to enter into a proper contract for the making and laying of these cables upon the following terms:—

1. The Governments of New South Wales and Queensland to guarantee (in such proportions as they may arrange between themselves) 5 per cent. per annum, payable half-yearly, for a term of thirty-five years, upon £750,000, as the agreed amount to be taken as the cost of the lines.
2. £12,000 per annum to be allowed to cover working expenses, and £22,500 (being 3 per cent. on the capital) to be allowed for a reserve fund to provide for maintenance, repair, and renewal of the cables, and for payments of dividends or interest, in case the guarantee should be suspended.
3. All receipts above £34,500 (*viz.*—£12,000 plus £22,500) to go in reduction of the guarantee, and the company to retain receipts in excess of £72,000, being the amount of income guaranteed, *viz.*, £37,500, or 5 per cent. on £750,000, plus the above £34,500; but if the profits divided should be more than 10 per cent. for any three consecutive years, then the Governments may require that the rates shall be lowered to amounts calculated to reduce the divisible profits to 10 per cent. per annum.
4. The guarantee to be paid whilst the lines are in working order, and for four months after any breakage or interruption, but to be suspended, after such four months, unless or until the lines shall be restored to working order.

We send a duplicate of this letter to Sir Daniel Cooper, Bart., as Commissioner for New South Wales.

Yours, &c.,

MATTHEW GRAY,
General Manager.

Richard Daintree, Esquire,
Commissioner appointed by the Government of Queensland,
32, Charing Cross, S.W.

SPECIFICATION OF SUBMARINE CABLE.—MACASSAR TO NORMANTON.

Main Cable	1,718 knots
Intermediate	74 "
Light Shore end	50 "
Heavy Shore end	18 "
Total	1,860 "

Conductor

Conductor.—The conductor to consist of a strand of seven annealed copper wires, weighing 240 lbs. per nautical mile, or within 5 per cent. thereof, and the interstices to be filled up with Chatterton's compound; the condensing power to be not less than 90 per cent. of that of pure copper at a temperature of 75 degrees Fahrenheit.

Insulation.—The conductor to be insulated with three coatings of gutta percha, weighing 260 lbs per nautical mile, Chatterton's compound to be laid on the wire between the conductor and the first covering of gutta percha, and also between each covering of gutta percha, the coverings to be as near as possible of equal thickness. The insulation resistance of the completed core to be not less than 200 millions B A units per nautical mile at a temperature of 75 degrees Fahrenheit after one minute's electrification.

Covering.—The core to be covered with a good and sufficient serving of jute yarn, to form a compact body when the iron wires are closed around it, the yarn to be uniform, free from knots, and of the best quality.

Armature.—The main cable to consist of fifteen "best best" galvanised iron wires '124 inch diameter. The intermediate to consist of ten "best best" galvanised iron wires '224 inch diameter. The light shore-end to consist of ten "best best" galvanised iron wire '305 inch diameter. The heavy shore-end to consist of twelve "best best" galvanised iron wires '4 inch diameter.

Outer Covering.—The whole of the cables to be served with two coatings of tarred jute yarn, put on in reverse lays, but bituminous compound.

Lay of Iron Wires.—The iron wires to be laid on spirally round the core with a turn suitable to the size of the wire, and to lie close together, the work to be done in the best and most workmanlike manner.

The cable to be coiled in watertight tanks and covered with water as soon as made, and to be so kept until coiled on board the vessels appointed to receive it.

SPECIFICATION OF SUBMARINE CABLE.—SINGAPORE TO MACASSAR.

Main Cable	1,120 knots
Intermediate	24 "
Shore end	66 "
Total	1,210 "

Conductor.—The conductor to consist of a strand of seven annealed copper wires weighing 93 lbs. per nautical mile, or within 5 per cent. thereof, and that the interstices to be filled up with Chatterton's compound, the conducting power to be not less than 90 per cent. of that of pure copper at a temperature of 75 degrees Fahrenheit.

Insulation.—The conductor to be insulated with three coatings of gutta percha weighing 130 lbs. per nautical mile, Chatterton's compound to be laid on the wire between the conductor and the first covering of gutta percha, and also between each covering of gutta percha, the coverings to be as near as possible of equal thickness. The insulation resistance of the completed core to be not less than 200 millions of B A units per nautical mile at a temperature of 75 degrees Fahrenheit after one minute's electrification.

Covering.—The core to be covered with a good and sufficient serving of jute yarn, to form a compact body when the iron wires are closed round it, the yarn to be uniform, free from knots, and of the best quality.

Armature.—The main cable to consist of twelve "best best" galvanised iron wires '134 inch diameter. The intermediate to consist of ten "best best" galvanised iron wires '224 inch diameter. The shore-end to consist of twelve "best best" galvanised iron wires '4 inch diameter.

Outer Covering.—The whole of the cables to be served with two coatings of tarred jute yarn, put on in reverse lays, and bituminous compound.

Lay of Iron Wires.—The iron wires to be laid on spirally round the core with a turn suitable to the size of the wire, and to lie close together, the work to be done in the best and most workmanlike manner.

The cable to be coiled in watertight tanks, and covered with water as soon as made, and to be so kept until coiled on board the vessels appointed to receive it.

No. 4.

THE AGENT-GENERAL to THE COLONIAL SECRETARY.

334-75.

Queensland Government Office,
32, Charing Cross, S.W.,

26th May, 1875.

SIR,

I have the honor to forward correspondence which has accrued in the matter of the Cable negotiations since the despatch of my letter of 30th April.

After receipt of Messrs. Siemens' letter of 7th instant, I learned, from a personal interview with a representative of that firm, that they had no idea of asking for a renewal of negotiations on the only basis on which the Joint Commissioners were authorised to treat. I have, therefore, taken no steps whatever to re-open the question, even if that were still possible.

I understand that Mr. Vogel is about to enter into a contract with the Eastern Extension Company for laying a cable between New South Wales and New Zealand, for a subsidy of £7,500 per annum for ten years, rate 7s. 6d. a message of ten words, and 9d. for each additional word.

Also

Also, that a proposal has been made to reduce the through rates of messages to Australia for a subsidy to be paid by such of the Australian Governments as may decide to look favorably on such a scheme.

I have, &c.,
RICHARD DAINTREE,
 Agent-General.

(Enclosure A in No. 4.)

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

SIR,

We have the honor to hand you herewith printed copy of the Memorandum and 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 the view of establishing a second and independent telegraphic communication between India and Australasia.

We are authorised to say that the promoters of the above company, whose names are affixed to the Memorandum and Articles of Association (as per enclosed copy), are prepared to enter into negotiations with you and the representatives of New South Wales and New Zealand 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.

We have, &c.,
SIEMENS AND CO.

(Enclosure B in No. 4.)

12, Queen Anne's Gate,
 12th May, 1875.

SIR,

We beg leave to confirm our letter of 7th instant, and we now address you again on the subject of the Indo-Australasian Telegraph project, because rumors have reached us that the New Zealand Government, either alone or in conjunction with other Colonial Governments, have already concluded, or are on the point of concluding, an arrangement with the Eastern Extension Telegraph Company, by which the said Government, or Governments, intend to contribute a part of the necessary funds for the construction of the cable to connect New Zealand with Australia, or to render the Eastern Extension Telegraph Company assistance in some other way to further the carrying out of that line.

After the great expenditure of time and money incurred by us towards the establishment of a second independent line of communication between India and Australasia, we are unwilling to believe that these rumors are based upon facts, as we flatter ourselves that, in case of an alteration of the guarantee or assistance noted by the Legislative Assemblies of the Colonial Governments, which were found impracticable for the carrying out of the project, we would be acquainted with the terms of such alteration, so as to give us a fair chance to recoup us for the trouble we have had during the past years in that matter.

We therefore shall feel greatly obliged if you will inform us if there is any truth in such reports, and should the carrying out of the New Zealand line (or any other part of the Australasian line) have been offered to the Eastern Extension Telegraph Company upon other terms than those upon which we had the honor to negotiate with you, we should be glad if you would give the opportunity, either to us or to the Indo-Australasian Telegraph Company, with whom we act in concert, of considering such new terms, so that we may have at least the same chance as other parties of obtaining the contract for the work contemplated.

We shall be most happy to meet you on the subject, and to attend any appointment which you will be pleased to make.

We have, &c.,
 Wm. Siemens, Brothers,
 I. LOEFFLER.

Richard Daintree, Esquire.

(Enclosure C in No. 4.)

London, 21st May, 1875.

GENTLEMEN,

We have deferred answering your letter of the 12th instant, addressed to us separately, until we could confer together and give you a joint reply.

2. We have to remind you that the negotiations for carrying out the arrangements for a second cable communication with Australia and New Zealand, *via* Queensland, were brought to an end by yourselves, by your expressing your entire inability to carry out the preliminary agreement entered into by your agent at Sydney, and which, from time to time, that gentleman frequently gave the various Governments to understand you were willing to carry out.

3. Your inability to carry out the agreement made on your behalf gives you no claim on the colonies, but the reverse; nor did you, when the negotiations were broken off, assert any such claim. Had you done so, we should have told you we did not recognise it. We must, therefore, decline to give you the information you seem to demand by your letter.

We have, &c.,
JULIUS VOGEL.
DANIEL COOPER.

Messrs. Siemens Brothers.

Price 7d.]