

1873.

---

QUEENSLAND.

---

PAPERS AND CORRESPONDENCE

RELATING TO

TELEGRAPHIC COMMUNICATION WITH EUROPE,

VIA

NORMAN MOUTH AND JAVA.

---

PRESENTED TO BOTH HOUSES OF PARLIAMENT BY COMMAND.

---

BRISBANE:

BY AUTHORITY: JAMES C. BEAL, GOVERNMENT PRINTER, WILLIAM STREET.

---

1873.

# CONTENTS.

	PAGE.
No. 1.	
Letter from Noel Osborn, Commander, R.N., to the Colonial Secretary ... ..	5
No. 2.	
Letter from Mr. F. Gisborne to the Colonial Secretary ... ..	5
No. 3.	
Letter from Mr. Wheeler, Agent-General for Emigration, to the Colonial Secretary...	6
<i>A.—Enclosure in No. 3.</i>	
Letter from Mr. F. Gisborne to the Colonial Secretary ... ..	6
No. 4.	
Telegram from Colonial Secretary to the Agent-General for Queensland ... ..	6
No. 5.	
Letter from the Colonial Secretary to the Agent-General for Queensland ... ..	6
<i>B.—Enclosure in No. 5.</i>	
Notice respecting construction of Submarine Cable between Java and Queensland ... ..	7
No. 6.	
Letter to the Colonial Secretary from the Agent-General for Queensland ... ..	8
<i>A.—Enclosure in No. 6.</i>	
Letter from the Chairman of the British Australian Telegraph Company to the Agent-General for Queensland ... ..	9
<i>B.—Enclosure in No. 6.</i>	
Letter from Mr. F. Gisborne to the Agent-General for Queensland ... ..	9
<i>C.—Enclosure in No. 6.</i>	
Letter from Sherard Osborn, Managing Director, to the Agent-General for Queensland ... ..	10
<i>D.—Enclosure in No. 6.</i>	
Letter from Mr. C. W. Earle, Managing Director, to the Agent-General for Queensland ... ..	11
No. 7.	
Telegram from Viscount Monk to the Colonial Secretary ... ..	11
No. 8.	
Letter from Mr. Gisborne to the Agent-General for Queensland ... ..	11
<i>A.—Enclosure in No. 8.</i>	
Undertaking by the Promoters of the Java and Queensland Telegraph ... ..	12
<i>B.—Enclosure in No. 8.</i>	
Estimate of the Cost of the Submarine Cable to connect Java with Queensland ... ..	13
No. 9.	
Letter from the Agent-General to the Colonial Secretary ... ..	13
No. 10.	
Telegram from Colonial Secretary to Agent-General for Queensland ... ..	13
No. 11.	
Letter from the Under Colonial Secretary to the Agent-General for Queensland ... ..	13
No. 12.	
Letter from the Agent-General for Queensland to the Colonial Secretary, Queensland ... ..	14
No. 13.	
Letter from the Colonial Secretary to the Agent-General for Queensland ... ..	14

## No. 14.

Letter from the Agent-General for Queensland to the Colonial Secretary	15
<i>A.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to P. Gisborne, Esquire	16
<i>B.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to Viscount Monk	16
<i>C.—Enclosure in No. 14.</i>	
Letter from Viscount Monk to the Agent-General for Queensland	16
<i>D.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to the Secretary of the British-Australian Telegraph Company	17
<i>E.—Enclosure in No. 14.</i>	
Letter from the Secretary of the British-Australian Telegraph Company to the Agent-General for Queensland	17
<i>F.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to the Secretary of the British-Australian Telegraph Company	17
<i>G.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to the Chairman of the British-Australian Telegraph Company	18
<i>H.—Enclosure in No. 14.</i>	
Letter from the Managing Director of the British-Australian Telegraph Company to the Agent-General for Queensland	18
<i>I.—Enclosure in No. 14.</i>	
Letter from the Agent-General for Queensland to the Managing Director of the British-Australian Telegraph Company	18
<i>K.—Enclosure in No. 14.</i>	
Telegram from the Agent-General for Queensland to the Colonial Secretary	19

## No. 15.

Letter from Viscount Monk to the Colonial Secretary	19
---	----

## No. 16.

Letter from the Colonial Secretary to Viscount Monk	19
---	----

## No. 17.

Letter from the Under Colonial Secretary to the Agent-General for Queensland	20
--	----

## No. 18.

Letter from the Agent-General for Queensland to the Colonial Secretary	20
Enclosure—Extract from <i>The Times</i>	20
Enclosure—Mr. Daintree's Reply to ditto	21

## No. 19.

Letter from the Under Colonial Secretary to the Agent-General for Queensland	21
--	----

## No. 20.

Telegram from the Agent-General for Queensland to the Colonial Secretary	22
--	----

## No. 21.

Letter from the Agent-General for Queensland to the Colonial Secretary	22
--	----

*A.—Enclosure in No. 21.*

Letter from the Secretary of the British-Australian Telegraph Company to the Agent-General for Queensland	2
---	---

*B.—Enclosure in No. 21.*

Telegram from the Agent-General for Queensland to George Lyons, Esquire	23
---	----

*C.—Enclosure in No. 21.*

Telegram from ——— Earle, Esquire, to the Agent-General for Queensland	23
---	----

*D.—Enclosure in No. 21.*

Letter from the British-Australian Telegraph Company to the Agent-General for Queensland	23
--	----

*E.—Enclosure in No. 21.*

Letter from the Agent-General for Queensland to the British-Australian Telegraph Company	23
--	----

*F.—Enclosure in No. 21.*

Letter from the British-Australian Telegraph Company to the Agent-General for Queensland	23
--	----

*G.—Enclosure in No. 21.*

Letter from the Agent-General for Queensland to the Managing Director of the British-Australian Telegraph Company	23
---	----

*H.—Enclosure in No. 21.*

Letter from the Managing Director of the British-Australian Telegraph Company to the Agent-General for Queensland	24
---	----

*I.—Enclosure in No. 21.*

Telegram from the Agent-General for Queensland to the Managing Director of the British-Australian Telegraph Company	24
---	----

## No. 22.

Telegram from Secretary, British-Australian Telegraph Company, to W. J. Cracknell, Brisbane	24
---	----

## No. 23.

Telegram from Agent-General for Queensland to Colonial Secretary, Brisbane	24
--	----

Telegram from S. Knevett, Agent, British-Australian Telegraph Company, to Colonial Secretary, Brisbane	No. 24.	24
Telegram from Colonial Secretary to S. Knevett, South Australia	No. 25.	25
Telegram from S. Knevett to Colonial Secretary, Brisbane	No. 26.	25
Telegram from Colonial Secretary to S. Knevett, South Australia	No. 27.	25
Telegram from S. Knevett to Colonial Secretary, Brisbane	No. 28.	25
Samuel Knevett to the Colonial Secretary, Queensland	No. 29.	25
Telegram from Colonial Secretary to Agent-General for Queensland	No. 30.	26
Telegram from Agent-General for Queensland to Colonial Secretary	No. 31.	26
The Agent-General to the Colonial Secretary, Queensland	No. 32.	26
C. W. Earle to R. Daintree, Esquire, Agent-General for Queensland	A.—Enclosure in No. 32.	27
Telegram from Richard Daintree to Colonial Secretary, Brisbane	B.—Enclosure in No. 32.	27
Copy of Telegram from Chief Secretary, Brisbane	C.—Enclosure in No. 32.	27
Copy of Telegram from Chief Secretary, Adelaide	D.—Enclosure in No. 32.	27
The Agent-General to the Colonial Secretary, Queensland	No. 33.	27
Letter from Richard Daintree to the Managing Director British Australian Telegraph Company	A.—Enclosure in No. 33.	28
Letter from C. W. Earle to the Agent-General for Queensland	B.—Enclosure in No. 33.	28
Memorandum of Conditions, &c.	No. 34.	28
Telegram from Colonial Treasurer and Postmaster-General, New Zealand, to the Colonial Secretary, Queensland	No. 35.	29
Telegram from Colonial Secretary, New South Wales, and Colonial Treasurer and Postmaster-General, New Zealand, to the Colonial Secretary, Queensland	No. 36.	29
Telegram from Colonial Treasurer and Postmaster-General, New Zealand, to the Colonial Secretary, Queensland	No. 37.	29
Mr. Audley Coote to the Colonial Secretary, Queensland	No. 38.	29
Mr. Audley Coote to the Colonial Secretary, Queensland	No. 39.	30
Telegram from Audley Coote, Sydney, to Siemens Brothers, London	A.—Enclosure in No. 39.	30
Telegram from Siemens Brothers, London, to Audley Coote, Sydney	B.—Enclosure in No. 39.	30
Memorandum of Agreements, Contracts, Powers, and Letters of Instructions held by Audley Coote	No. 40.	31
Copy of Telegrams re Independent Cable, 22 February, to 25 April, 1872	No. 41.	31
Agent-General to the Colonial Secretary, Queensland	Enclosure in No. 41.	32
Letter from Mr. F. Gisborne to Agent-General for Queensland	No. 42.	32
Agent-General to the Colonial Secretary, Queensland	No. 43.	33
Mr. Audley Coote to Colonial Secretary, Queensland	A.—Enclosure in No. 43.	33
Mr. Audley Coote to Colonial Secretary, Queensland	B.—Enclosure in No. 43.	33
The Hon. Saul Samuel to Mr. Audley Coote	No. 44.	33
The Colonial Secretary, Queensland, to Mr. Audley Coote		33

# TELEGRAPHIC COMMUNICATION WITH EUROPE, *VIA* NORMAN MOUTH AND JAVA.

(PAPERS AND CORRESPONDENCE RELATING TO)

## No. 1.

LETTER FROM NOEL OSBORN, COMMANDER, R.N., to THE COLONIAL SECRETARY.

Menzies' Hotel, Melbourne,  
4th September, 1871.

SIR,

I have the honor to inform you that I am about to return to England, by the mail steamer which leaves this on the 10th instant. Before doing so, I beg to assure your Government that the Telegraph Construction and Maintenance Company is most anxious to forward any views you may, at any time, entertain in respect to the extension of telegraphic communication by means of Submarine Cables.

Should you require any information on this subject, a letter addressed as per margin, to Captain Osborn, will receive immediate attention, and every effort will be made to meet your wishes.

I have, &c.,

NOEL OSBORN,

Commander R.N.,

Agent for the T. C. and M. Co.

To the Honorable the Colonial Secretary,  
Queensland.

Captain Thomas  
Osborn, R.N.,  
C.B., T.C. and  
M.C. Co., 20 Old Broad  
street, City,  
London.

## No. 2.

LETTER FROM MR. F. GISBORNE to THE COLONIAL SECRETARY.

7, Bruton st., London, W.,  
26th January, 1872.

SIR,

I desire to draw your serious attention to the question of telegraphic communication between Queensland and the external world. The proposal contained in my letter of the 4th October, 1871, for laying down a cable between Java and Queensland, under a guarantee, I still adhere to, and I venture to point out that subsequent events have demonstrated that great public objects will be effected by the carrying out of that project. It is now abundantly clear that the Company which laid the cable between Java and Port Darwin is inextricably bound to South Australia, and to its land line from Adelaide to that port. The Company, by the terms of the agreement with South Australia, which it did not repudiate when it had a technical reason for doing so, through the non-completion of the land line within the specified time, is bound not to extend its cable to Queensland (v. Art. 12). Since then the South Australian Government have agreed to pay the Company 5 per cent. upon their capital until the completion of the land communication. The Legislature of South Australia is not likely to authorise any direct connection, either by sea or by land, between Port Darwin, or any other point on its land line, and Queensland, until it has recouped itself its heavy outlay, both in construction and in maintenance. When that time will come round no one can tell. I would further observe, that the Company is also precluded from entering into any working arrangements with any line of telegraph which Queensland may itself undertake to Port Darwin. It is evident that the latter stipulation is as necessary as the non-extension of the cable, to secure the monopoly by which alone South Australia can hope to avert a very heavy pecuniary loss, both present and future. However, I advocate the Java and Queensland telegraph, upon grounds which are altogether independent of the existence of any connection between Queensland and Port Darwin. The Australian Colonies will never have uninterrupted telegraphic communication with the external world until they possess two lines of telegraph. I have pointed out, in previous communications, that experience has conclusively demonstrated the correctness of this assertion.

If the Java and Queensland telegraph will be a work of any real public utility, it must earn something; and if even it only earns 4 per cent., the utmost deficiency will be £16,000, to be provided by Queensland and any Government that may join it in the proposed guarantee.

Every important country in the world has, for some years past, been connected by at least two lines of telegraph with Europe, and it certainly seems extraordinary that such important and enterprising colonies as those which exist in Australia should have only one, and that one dependent upon a most insecure land line.

Apart indeed from every other consideration, it is sufficiently clear that the Eastern Colonies should have their own separate international communication. Henceforth competing lines will not be established with the same facility as they were a few years since. It was then supposed that countries like India and China could support two or more lines, but it has turned out that more than one line cannot be profitably worked, however necessary two may be for the security of the communication. I am quite persuaded that a competing line to Australia cannot be established without Government assistance, and the existing Company is hardly likely to undertake such a work.

I have, &c.,

F. GISBORNE

The Honorable the Colonial Secretary.

## No. 3.

LETTER FROM MR. WHEELER, AGENT-GENERAL FOR EMIGRATION, to THE COLONIAL SECRETARY.

282-72.

[COPY.]

Queensland Government Office,  
32, Charing Cross, London,  
January 26th, 1872.

SIR,

Though I have no instructions on the subject of Anglo-Australian telegraphs, I feel it my duty in the interest of the colony, to forward you the following copy of a letter I have received from Mr. Gisborne

I have, &amp;c.,

JAMES WHEELER,  
Agent-General for Emigration.The Honorable the Colonial Secretary,  
Brisbane.

A.—Enclosure in Letter No. 3.

LETTER FROM MR. F. GISBORNE to MR. WHEELER.

[COPY.]

71, Bruton street W.  
January 24, 1872.

DEAR SIR,

Mr. Dutton has informed me that the South Australian Government has agreed to pay the B. A. T. M. Company five per cent. on their capital until the completion of their land line to Port Darwin. If therefore any doubt ever existed that the Company would hold to the agreement which precluded them from extending their line to Queensland, that doubt is now completely removed. The Queensland Government should face the question as it stands, and decide at once whether it will heartily go in with the South Australian scheme, or have a line of its own such as I propose. I have already pointed out, that should the line only earn four per cent. the loss will amount to £16,000 per annum, to be borne by the three Eastern colonies; but it is probable the line will earn the full six per cent.

I shall be glad if you will write and represent the true state of things to your Government.

Yours faithfully,

F. GISBORNE.

J. Wheeler, Esq.,  
Acting Agent-General for Queensland.

## No. 4.

TELEGRAM FROM COLONIAL SECRETARY to THE AGENT-GENERAL FOR QUEENSLAND.

[COPY—TELEGRAM.]

To Agent-General, London.

Brisbane, 24th April, 1872.

I moved, yesterday, 23rd April, that House, at next sitting, consider in Committee resolution that Government be empowered to enter into contract with Telegraph Construction Company to lay cable between Norman Mouth and Java, or other place thought desirable, on guarantee interest on cost of construction, or other terms to be agreed upon, and to negotiate with neighboring colonies to join in project. Debate ensued. Motion favorably received by House, and passed. No doubt resolution will also be passed by House in Committee, to-day.

Act upon this at once, and open negotiations with some company.

A. H. PALMER,  
Colonial Secretary.

## No. 5.

LETTER FROM THE COLONIAL SECRETARY to THE AGENT-GENERAL FOR QUEENSLAND.

E.C.—72-121.

Queensland, Colonial Secretary's Office,  
Brisbane, 16th May, 1872.

SIR,

This Government having been authorised by Resolution of both Houses of Parliament to negotiate with a Telegraphic Construction and Maintenance Company, for laying a Telegraph Cable between Norman Mouth, Gulf of Carpentaria, and Java, or such other place as may appear most desirable, either on a guarantee of interest on cost of construction, or on such terms as may be agreed upon; you are authorised to give publicity to the enclosed notice, by distribution or otherwise, as may be most conducive to the object to be obtained.

You will also communicate with the Telegraph Construction and Maintenance Company (Limited), Silvertown; with Mr. Hooper, of the London India Rubber Mills, London Office, 7, Pall Mall East, S.W.; and with Messrs. Siemens, or other Cable Manufacturers, requesting information as to the terms on which they would carry out the undertaking on the order of this Government.

On all specifications or samples submitted, you will be good enough to obtain the opinion and report in writing, of two of the most eligible Electricians, such as Mr. Henry Forde, and Mr. Fleming Jenkin.

These offers, samples, and professional opinions, are to be forwarded to me by first opportunity, copies being retained in your office.

It is estimated that the total cost of this work should not exceed £400,000, and it is probable that it may be carried out for a much smaller sum.

It is the intention of this Government to invite the colonies of New South Wales and Victoria to join Queensland in this undertaking.

You will inform the Falmouth, Gibraltar, and Malta Cable Company, the Anglo-Mediterranean Cable Company, the British India Extension Cable Company, and the China Submarine Cable Company, that the Queensland Government proposes to complete communication by cable between Norman Mouth and East Java, and request that they will afford to the undertaking similar rates for "through" business to those granted to the British Australian Telegraph Company, and at the same time request detailed particulars as to these "through" rates; also request the British Australian Telegraph Company to state the tariff they will charge for messages to be forwarded by their cable between Singapore and Batavia, addressed "to be transmitted by the cable connecting East Java with Carpentaria."

Printed



Printed copies of the conditions and terms proposed by the Government are forwarded under separate cover, and your attention is directed to the statement therein contained, that the proposals are not restricted thereto, but that this Government is willing to receive any reasonable offer for the purpose of carrying out the undertaking.

With reference to the guarantee alluded to in clause 1 of the conditions, which may not be clearly understood, I send you an example, viz. :—

5 per cent. on £400,000	...	...	...	...	...	£20,000
Working Expenses and Maintenance	...	...	...	...	...	10,000
						<u>£30,000</u>
Receipts	...	...	...	...	...	£24,000
Balance required	...	...	...	...	...	6,000
						<u>£30,000</u>

showing that under the above circumstances this colony would simply be liable for £6,000.

I have, &c.,

A. H. PALMER.

The Agent-General for Queensland, London.

*B.—Enclosure is No. 5.*

NOTICE RESPECTING CONSTRUCTION OF SUBMARINE CABLE BETWEEN JAVA AND QUEENSLAND.  
QUEENSLAND.

SUBMARINE CABLE BETWEEN JAVA AND QUEENSLAND.

Colonial Secretary's Office,  
Brisbane, 11th May, 1872.

The Government of the Colony of Queensland is desirous of negotiating with a Telegraphic Construction and Maintenance Company, for the purpose of laying and working a Submarine Telegraph Cable from East Java to Norman Mouth, Gulf of Carpentaria, a distance of about 2,000 miles, either on a guarantee of interest on cost of construction, or on such terms as may be agreed upon; and would suggest the following terms to form the basis of negotiation, although it may be understood that the Government does not restrict proposals to these terms, but is willing to receive any reasonable offer for the purpose of carrying out this undertaking :—

1. The Government to guarantee interest at the rate of five (5) per cent. per annum on the cost of construction; such guarantee to extend over a period not exceeding thirty (30) years. Payment of guarantee to take effect from time communication is established. The net receipts to be in reduction of this guarantee.
2. The Company to state the probable amount of capital required, and submit to the Agent-General of Queensland, in London, a specification or sample of the cable proposed to be used.
3. The guarantee to cease if communication be interrupted for more than thirty (30) days consecutively, until communication be re-established. In the event of interruption the Company to take all reasonable steps for making repairs without delay. Provided, also, that if communication be interrupted during a period of 270 days consecutively, or different portions amounting in the aggregate to 270 days, in the period of 365 days consecutively, the Government may have power to terminate the contract to be entered into.
4. The Government will make provision for landing the cable, and for office premises for the Company, at Norman Mouth; from this point there is telegraphic communication with the Southern Colonies, which the Government will bind itself to maintain.
5. The Company to obtain permission from the Government of Netherlands India, to land the cable at East Java, also to make due provision for the transmission of messages from that point to Singapore, and thence by the lines of the several companies in communication with that place. The tariff not to greatly exceed the rates charged for business received by other lines from these colonies.
6. The tariff for messages between East Java and Norman Mouth to be first agreed upon between the Government and the Company, but if at any subsequent period the Government has reason to believe that, after a reasonable allowance has been made for contribution to renewal fund, the net profits of the Company exceed 15 per cent. per annum, the Government may require the tariff to be revised from time to time, and a proportionate reduction to be made in the rate of charges. In the event of disagreement, the matter to be referred to arbitration, as hereinafter provided. The Company to name the tariff proposed to be charged when communication is first established.
7. The Company to properly maintain and work the line, and promptly transmit messages (so far as depends upon them), in the order in which received, except in cases when the Government may require messages to have precedence, as being on "the service of the State."
8. The Government to have the power to purchase and assume sole possession of the cable, and of everything belonging to the same, inclusive of the reserve fund for the renewal of the cable, at any time, three years after the communication has been established, on one year's notice having been given of its intention so to do, at a price equal to the total amount of cost, to which shall be added, if purchased within fifteen years after communication is established, net earnings for the remainder of the thirty years, or if not purchased within fifteen years after communication is established, net earnings for fifteen years, such net earnings to be determined upon the average net earnings of the three years immediately preceding the date of purchase, whether the earnings arise from subsidy or other sources. The Company to engage not to dispose of their undertaking to any foreign Government, or any other company, without the consent of the Government.

9. The Company to state at what date they propose to establish communication, and agree to enter into a bond imposing a penalty of £10 per day, in the event of communication not being established within the time specified.
10. All questions, disputes, and differences, as to construction, maintenance, tariff, working of the line, or any other cause, between the Government and the Company, or others claiming for them, to be referred to and finally determined by arbitration, and damages may be awarded for any breach of the agreement to be entered into. Arbitrators to be appointed by the parties in difference (or in default of such joint appointment within fourteen days after notice of arbitration shall have been given by either party to the other), to be appointed on the application of either party, by the President for the time being of the Board of Trade.

For further particulars and information, application is to be made to the Agent-General, at the Queensland Government Offices, 32, Charing Cross, London.

A. H. PALMER.

## No. 6.

LETTER FROM THE AGENT-GENERAL TO THE COLONIAL SECRETARY, QUEENSLAND.

324-72.

32, Charing Cross, May 16th, 1872.

The Honorable the Colonial Secretary, Brisbane.

SIR,

Your telegram from Galle, dated 14th May, arrived yesterday at noon, and its contents have been carefully considered and promptly acted on.

Negotiations had, during the past month, been carried on with the "British Australian," the "Construction and Maintenance" Telegraph Companies, and with Mr. Gisborne (as associated with Sir J. Carmichael and other Directors of the "Submarine Telegraph Company"). Copies of the correspondence are forwarded herewith.

Three methods of obtaining the object sought (namely, direct communication with Europe *via* the mouth of the Norman) have been the subjects of negotiation.

The results may be thus stated:—*First*. To connect the Norman with Port Darwin, by cable to mouth of Roper; thence by land line, to join S.A. land line at head of Roper.

This was found to be impracticable, without the consent of South Australia, only to be obtained by Treaty in the Colony.

The Agent-General, Mr. Dutton, whom I consulted on the matter, has no power to act.

*Second*. To connect the Norman with Port Darwin by cable direct.

This the "British Australian Company" have power to carry out if they choose.

Their official answer to my enquiry on the subject, will be found in copy of letter marked (A.), dated April 22nd, and was *enverse*.

In further conversation with the Managing Director and Secretary of the Company, they assured me that though virtually the contract between them and the South Australian Government was broken on the 31st December, 1871, yet, that a subsequent proposition had been made, in which the Company had asked South Australia to guarantee five per cent. on the Capital of the "British Australian Company," until completion of land line, and to pay five per cent. on Capital during any period in which the land line may be interrupted, and whilst this question was undecided, they were unwilling to make any fresh arrangement.

On pressing for a limit to be assigned to this uncertainty, and a period to be fixed when, failing the completion of the South Australian land line, they would exercise the power given them under clause 12 of their agreement—*viz.*, "that they would lay down and complete and forthwith maintain and use a line of telegraphic communication between their cable at Port Darwin and Burke Town in the province of Queensland,"—the representatives of the Company again refused to give any definite answer.

They urge an amalgamation with the South Australian Government, on terms something after this kind:

That the line shall be completed, at the expense of the Queensland Government, from Norman to Port Darwin, either by *first* or *second* methods, and that then the total returns for all messages sent by either line shall be divided *pro rata*—say, two-thirds to South Australia and one-third to Queensland, obstructions and break-downs on either line to necessitate refunds on a scale to be agreed on.

It is evident that the *certain* benefit, in such an arrangement, would remain with the British-Australian Telegraph Company.

Such a treaty, also, could only be arranged in the Colony.

The *third* case in which negotiations have been opened is—

To lay a cable from Java to Norman Mouth direct.

By last mail you will have received the outline of Mr. Gisborne's proposition on this point; the document marked B has also reference to the same subject, and the "undertaking" spoken of will be forwarded under separate cover.

By telegram from Galle, I also hope to send the terms under which the Construction and Maintenance Company are prepared to complete this line of cable.

It is also likely that by telegram, at same time, you will receive a definite proposal from the British Australian Company to lay a cable from Port Darwin to Norman, as your telegram has been a lever by which I have been able to bring their oscillating policy to a crisis.

In conclusion, I would point out, that without the consent of the South Australian Government, so long as they meet the wishes of the British-Australian Company in regard to guarantee of interest on their capital, it is highly improbable that either the *first* or *second* methods will be available to Queensland.

In regard to the *third*, sooner or later (it seems to me), it must be carried out, as such an important line of communication could not long be left to depend on one cable; and the question arises, whether it would not be better for Queensland, in connection with New South Wales and Victoria, to face at once the extra cost of such a line, and set themselves to reduce that cost as far as possible? The bringing this matter to a satisfactory conclusion will have my most earnest attention.

I have, &c.,

RICHARD DAINTREE,  
Agent-General.

LETTER



*A.—Enclosure in No. 6.*

LETTER FROM THE CHAIRMAN OF THE BRITISH AUSTRALIAN TELEGRAPH COMPANY TO THE AGENT-GENERAL FOR QUEENSLAND.

British Australian Telegraph Company, Limited,  
66, Old Broad street, London, E.C.,  
22nd April, 1872.

Richard Daintree, Esquire, Agent-General for Queensland, 32, Charing Cross, S.W.,

SIR,

In reply to your letter of the 17th instant, addressed to Mr. Lyons, the Secretary of this Company, I have to state that our negotiations at the present moment with the South Australian Government would prevent our entering into an arrangement with the Queensland Government; but I may state to you, that this Company feel in the strongest manner, that their own, and the interests of all the colonies, would be most materially benefited, if some arrangement could be made by which the telegraph land lines in the northern territory of South Australia, which are completed to the River Roper, could be carried to the mouth of the Roper. The station at Normantown and the station at the mouth of the Roper could then be connected by cable. I am sure that this Company would afford the respective Government every assistance in their power to carry out such a desirable object.

In order that you may better understand what I mean, I enclose you a slight sketch of the route which I would indicate.

My own idea is, that this a matter which can be carried out by the united policy of the different Governments in Australia, and this Company would be only too happy to do all in their power to assist them in that undertaking.

I am, &c.,

(Signed)

J. MONCK,  
Chairman.

*B.—Enclosure in No. 6.*

LETTER FROM MR. F. GISSBORNE TO THE AGENT-GENERAL FOR QUEENSLAND.

7, Bruton street, London W.,  
8th May, 1872.

MY DEAR SIR,

You will, in a few days, receive an undertaking signed by the Promoters of the Java and Queensland Telegraph, to form a company and raise the necessary capital for carrying out this line under the conditions with which you are already acquainted.

I wish, in the meanwhile, to make a few observations upon the general subject of telegraphic communication with Queensland, which have suggested themselves to me from our late conversations.

The British-Australian Company have, no doubt, technically acquired the right of connecting Port Darwin by telegraph with Queensland in consequence of the non-completion of the South Australian land line between Spencer Gulf and Port Darwin, within the specified time. It is, however, very doubtful whether they will elect to exercise that right.

In the first place, the South Australian Government has offered them 5 per cent. upon their capital until the completion of the land line, on the condition that the right in question is waived, and that offer is now under consideration. It is also certain that the Company cannot avail themselves of the South Australian land line, which approaches at the Roper River within 75 miles of the Gulf of Carpentaria, by running a wire from that point to the Gulf and laying a cable thence to the Norman River. You will see by referring to the agreement between the company and the South Australian Government, that it conveys no right to the company to connect any line of theirs to Queensland with the Government line, nor to get transmitted through the latter, messages to and from their Queensland line. The agreement gives the Company a bare right to establish a line between Port Darwin and Queensland in connection with their own cable.

It is also impossible to suppose that the Government of South Australia will now allow any direct line to Queensland to become connected with their land line at an intermediate point, when the agreement contemplates that messages to and from Queensland shall pass over the whole extent of the lines through South Australia, and, of course, pay the full tariff for their use. A consideration of the circumstances under which South Australia constructed her land line will render this question clear. She, no doubt, made the offer, on first undertaking the land line, for the purpose of uniting all the colonies in one undertaking, and before it was known what it would cost; but that offer having been then declined, it is highly improbable that it should now be renewed. South Australia has already expended an enormous sum of money in establishing the land line, and before it is thoroughly completed, will have to spend a very much larger sum. The cost of maintenance, moreover, will be most onerous—in fact, the cost both of construction and of maintenance of this line is quite incalculable at the present time; and the only hope which exists of obviating a very serious annual loss is to maintain the agreement with the company, and to secure to the land line the complete monopoly of the telegraphic communications of the whole of the Australian Colonies with the external world.

The establishment of any direct line between Port Darwin and Queensland would immediately divert the whole of the Queensland, New South Wales, and New Zealand traffic, besides that of the other colonies, whenever the South Australian land line came to be interrupted, which would certainly be the case very frequently. It is, I may observe, quite impossible for South Australia now to withdraw from the work which she has undertaken; the whole past expenditure would be thus lost.

As regards the Company, moreover, it would cost them quite £400,000 to lay a cable between Port Darwin and the Norman River, the direct distance being 913 nautical miles. The distance by land, or partly by land, and partly by sea, would be 170 miles less, but the cost of any such land line it is impossible to estimate; it might be less, or it might be more, in the first instance. At any rate, it is certain that the cost of maintaining any land line through so unsettled a country would be much greater than that of maintaining a cable, and it would certainly be more liable to interruption. It is, indeed, very doubtful whether it would be at all possible for the Company to protect it against the natives, without the good offices of the South Australian Government.

The

The possibility of any other Company establishing a direct telegraph between Port Darwin and Queensland need not be considered, as no cable could be landed at any point of the coast of South Australia, or land line constructed through any portion of its territory, without the consent of the Government.

The very fact that difficulties, complications, and great uncertainty surround the question of connecting Queensland with Port Darwin, afford a strong reason for entertaining the question of connecting Queensland direct with Java, without touching on South Australian territory, and by means of a line which will be in independent hands and under the control of the Government.

This course will moreover secure the incalculable and indeed indispensable advantage of a duplicate line between India and Australia.

The promoters, on receiving the guarantee for the Java and Queensland line, will take immediate measures for also carrying out the remainder of their project from Calcutta to Singapore and Java; in fact, they believe they will be able to carry out the entire line at one and the same time.

As we offer your Government two official directors, the contract for the cable will be let under their supervision. You will easily understand that a company's capital includes many items not included in a contractor's tender, who is to be paid in cash—such as commission for raising capital, expenses during construction, including the Company's staff to supervise the contractor's work until completion, and the erection of stations.

I believe that the guarantee will be purely nominal, if traffic arrangements are made between Queensland, New South Wales, and New Zealand, to use the line, and, at any rate, the annual deficiency cannot be large.

I am, &c.,

F. GISBORNE.

R. Daintree, Esquire, Agent-General for Queensland.

*C.—Enclosure in No. 6.*

LETTER FROM SHERARD OSBORN, MANAGING DIRECTOR, to THE AGENT-GENERAL FOR QUEENSLAND.

Telegraph Construction and Maintenance Company, Limited,

Offices, 38, Old Broad street,  
London, E.C., 13 May, 1872.

Richard Daintree, Esq., Agent-General for Queensland.

Sir,

I beg to hand you the following confidential memorandum, on the establishment of a submarine communication between Normantown and Port Darwin, the present terminus of the submarine telegraph system between England and Australia.

It is evident that the interests of the Australian Colonies demand a duplicate communication from Port Darwin over the Australian Continent, and although South Australia deserves great credit for its public spirit and enterprise in boldly constructing a land line across the continent, from Adelaide to Port Darwin, it is to be regretted, from a public point of view, that they should seek to obtain a monopoly of the traffic.

As I gather from my conversation with you, that the Queensland Government is now disposed to entertain propositions, which I long since made to them, and our agent in Australia, Commander Noel Osborn, in 1871, visited Brisbane for the purpose of laying before that Government, I beg to submit the two following schemes by which a submarine telegraph cable could be laid for connecting Normantown with Port Darwin, and in doing so, I have thrown out of consideration any cable between Normantown and the Roper River, because it would entail working arrangements with the South Australian Government over their wires from the Roper to Port Darwin, which they would be unwilling to concede, and if conceded, the Queensland communications would be subjected to the risks of interruptions, which Queensland authorities maintain to be the serious defect in the existing scheme of overland communication.

The first and most advantageous plan for the Queensland Government would be to lay the cable from Normantown to Port Darwin itself, develop the traffic, and sell the cable at a good profit to either the present British Australian Telegraphic Company, or to a separate private company to be formed, and this company, as contractors, would be prepared to be paid for the entire work of making and laying such a cable in Queensland Government six per cent. bonds.

The second operation would be to grant us an exclusive concession for fifty years from Normantown to Port Darwin, and to guarantee six per cent minimum interest on the necessary capital for such a cable for twenty years, with a proviso that the Queensland Government will not reduce the payments on account of said minimum interest during that period, except when the net profits of the line shall in each year shew a dividend of ten per cent.

The entire length of cable from Norman (?) River to Port Darwin, allowing the necessary slack of sixty-three miles, is 963 nautical miles.

This cable to be of the best types, capable of working at a high speed, would cost, laid in so remote a part of the world, £300 per mile, or £288,900, with the necessary instruments and batteries complete.

I have but little doubt that the Government guarantee under this latter arrangement would be almost nominal, and be only called for to insure the capital being raised, and yield an interest to the English capitalist during the progress of manufacture and laying.

The time requisite from the date of the order being received by us, under either operation, for the execution of the whole work, should be estimated at twelve months.

The description of cable we have here specified for is of a heavy type—adapted to the shoal water and strong currents existing round the Melville Peninsula, and resembles, in character and capacity, that which has been found to answer so well in similar seas between Java and Singapore and Penang.

If the Queensland Government duly accredited an agent to make such a contract with us, and the present high price of materials, such as iron, fibre, and copper, went down in the Home market, we would gladly let their representative have the benefit of it in a proportionately reduced price.

I am, &c.,

(Signed) SHERARD OSBORN,  
Managing Director.

On

On inquiry at the Colonial Office, I find that the Imperial Government have handed over to South Australia the power to deal with the coast line and foreshore of their northern territory as they see fit. Without the consent, therefore, of that Government, no cable could be landed at Port Darwin. This seems a fatal objection to the projects mooted by Sherard Osborn

R. DAINTREE.

*D.—Enclosure is No. 6.*

LETTER FROM MR. C. W. EARLE, MANAGING DIRECTOR, TO THE AGENT-GENERAL FOR QUEENSLAND.  
No. 4501-46. British Australian Telegraph Company (Limited),  
Richard Daintree, Esquire, 66, Old Broad street, London, E.C.,  
Agent-General for Queensland, 32, Charing Cross. 17th May, 1872.

SIR,  
I beg to acknowledge the receipt of your letter of yesterday's date, addressed to the Secretary of this Company, with copy of telegram received from your Government.

I understand that the Telegraph Construction and Maintenance Company are already in communication with you respecting the laying of a cable from Normanston to Port Darwin under a Government guarantee.

I can only state that this Company will be happy to co-operate to the extent of their power, and, should terms be agreed upon, to afford every facility for working and maintaining the submarine cable with the Company's maintenance ship now on those waters.

I am, &c.,

C. W. EARLE,  
Managing Director

No. 7.

TELEGRAM FROM VISCOUNT MONCK TO THE COLONIAL SECRETARY.

O.H.M.S.

Electric Telegraph, Queensland.

From Adelaide, dated 30th June, 1872.

Message for Chief Secretary, Brisbane.

On application of Agent-General, British Australian Company intend to lay cable immediately between Norman River and Port Darwin.

VISCOUNT MONCK,  
London.

No. 8.

LETTER FROM MR. GISEGONE TO THE AGENT-GENERAL FOR QUEENSLAND, WITH ENCLOSURES.

7, Bruton Street, London, W.  
17th May, 1872.

SIR,

I have the honor to enclose, in original, the undertaking which has been signed by the promoters *see ante*, No. 6, of the Java and Queensland Telegraph to carry out that line on receiving a guarantee of 6 per cent. on the amount it may cost, which is estimated at present at £565,000, so long as they shall maintain the telegraphic communication between those points.

The amount fixed in the undertaking is of course based upon the present prices of materials, shipping, &c.; and considering that the price of iron has increased at least 50 per cent. within the last few months, it may turn out that the cable will cost less.

If I may be allowed to suggest, I would recommend that your Government should give you power to extend the guarantee, if necessary, to a larger sum than the lowest offer which you may receive; as, in the order of competition, offers are made below what a really efficient cable can be laid for, and prices of materials and shipping vary greatly.

We offer you two official directors, under whose supervision and sanction the contract will be let, and all the arrangements made. Your Government will be therefore quite safe, and it is on every account most advisable that they should leave you a wide discretion.

I am satisfied that some fatal mistake will be made if that be not done.

The promoters contemplate connecting Java with Singapore and Calcutta or Rangoon, thus securing a duplicate line between India and the Australian Colonies. The Dutch have nearly completed their telegraph line through Sumatra, and a short cable might be laid thence to Singapore; thus obviating the necessity for a second cable between Singapore and Batavia. The promoters will enter into communication with the Dutch Government upon this subject.

The amount fixed as the capital of the Company includes the cost of a regaining steamer, and also many items which are not included in a contractor's tender, who is to be paid in cash—such as stations, instruments, supervision of the contractor's work until completion, brokerage, and company's office expenses during construction.

There is no difference between a guarantee of dividend or of interest, if it be assumed that the guaranteed line will pay its working expenses, which is a matter specially within the knowledge of the guaranteeing Government.

The proposed sinking fund of £20,000 per annum will, at four and a-half per cent. replace the Company's capital to the extent of £375,000 in 21 years, thus affording great security to the Company and the guaranteeing Government that communication will be maintained. Should it be found that less capital required, of course the sinking fund will be reduced.

W<sup>o</sup>

We propose a tariff of £2 for the ordinary message of twenty words between E. Java and the head of Gulf Carpentaria, although that will have to be hereafter settled in conjunction with the official directors. The published tariff from London to Brisbane, is £9 19s.; the proposed tariff of £2 would reduce it to £8 5s., being a gain to Queensland of £1 14s. per message. The other Colonies will also be greatly the gainers; for instance, even South Australia will receive her messages via Queensland for £3 15s., instead of £9 9s., being a gain of 14s.

I may state, in explanation, that the existing tariff from London to E. Java is £6 5s.

The greater cheapness of the Queensland land line as regards construction and maintenance, and its greater security over the South Australian land line to Port Darwin, will certainly secure to it almost the whole of the Australian telegraphic communication with the external world. The international traffic developed in Queensland herself will also prove a new source of revenue to her line.

I beg to enclose a map, and a copy of Sir Samuel Canning's letter to Sir James Carmichael, dated the 17th instant, with reference to the cost of the proposed line.

I have, &c.,  
F. GISBORNE.

R. Daintree, Esq., Agent-General for Queensland.

*A.—Enclosure in No. 8.*

UNDERTAKING BY THE PROMOTERS OF THE JAVA AND QUEENSLAND TELEGRAPH.  
JAVA AND QUEENSLAND TELEGRAPH.

17th May, 1872.

The undersigned undertake to use their best exertions to form a Company, and raise a sum not exceeding £665,000, for the purpose of laying down a suitable cable between the east end of Java and the mouth of the Norman River, at the head of Gulf Carpentaria, over a distance of 1,962 nautical miles, upon the following conditions:—

1. That the Queensland Government shall guarantee a minimum nett dividend of six per cent. per annum, upon the cost of the line, not exceeding £665,000, so long as the Company shall maintain telegraphic communication between Java and Queensland.

2. That, before nett profits are calculated, a sinking fund of £20,000 per annum shall be set aside for twenty-one years, either to replace the cable or to lay down an additional cable; and also that the working expenses shall be deducted.

3. That the Company guarantee the working expenses, not to exceed £25,000 per annum.

4. That one quarter of the nett profits above six per cent. per annum, shall be paid to the said Government to recoup it any payment made on account of guarantee. The nett profits for this purpose shall be the remainder of the gross earnings after deducting the said sinking fund and the actual working expenses, although such expenses exceed the said sum of £25,000.

5. That a reasonable time for executing repairs be allowed without the guarantee ceasing, to be agreed upon with the Queensland Agent-General in this country.

6. That the exclusive right be granted to the Company to lay, maintain, and use the telegraph lines between Queensland and Java, or any intermediate points, for twenty-one years.

7. That the said Government shall be at liberty to purchase the cable and stations of the Company between Java and Queensland upon such terms as may be agreed upon at the time, or in case of difference under arbitration.

8. That the said Government may appoint one or two *ex officio* directors, having the same powers generally as the ordinary directors.

9. That it be a condition in the contract with the manufacturers of the cable, that the line shall be completed within one year from the date of such contract, due allowance being made for "*force majeure*."

10. That the present offer be limited to one year from the date hereof.

8 May, 1872.

Name.	Address.
James Carmichael, Bart.	Chairman, Submarine Telegraphic Co., 58, Threadneedle st., E.C.
Henry Moor	Director, Submarine Telegraph Co., 4, Sussex Square, Brighton.
Charles Nicholson, Bart.	26, Devonshire Place, W.
R. Campbell	31, Lowndes Square, London.
W. H. Sygne	Col., R.E., Alvercliff, Hants.
J. W. Muttiebury	National Bank of Australasia, E.C.
A. R. Roche	Managing Director, Colonial Trust Corporation, and Director Central Queensland Meat Preserving Co.
Alex. Landale	Deniliquin, N.S.W.
W. Fielding, Col.	23, Brook street, W. London.
C. W. Eddy	Hon. Sec., Royal Colonial Institute
Hugh L. Taylor	3, Threadneedle st., E.C.
J. B. Darvall	Director of the Bank of Australasia.
W. Maitland	2, Royal Exchange Buildings.
W. Westgarth	28, Cornhill.
Henry Sewell	Director of the Central Queensland Meat Preserving Co.
H. E. Montgomerie	17, Gracechurch st.
—Bury, K.C.M.G., M.P.	Princes' Gate.
F. Gisborne	Holme Hall, Bakewell.

The Agent-General for Queensland.

*B.—Enclosure*

B.—Enclosure in No. 8.

ESTIMATE OF THE COST OF A SUBMARINE CABLE TO CONNECT JAVA WITH QUEENSLAND.

7, Great Winchester Street Buildings, E.C.,  
London, 17th May, 1872.

## JAVA AND QUEENSLAND TELEGRAPH.

Sir James Carmichael, Bart.,  
58, Threadneedle street, E.C.

DEAR SIR,

In conformity with your request, asking me to furnish you with my estimate of the cost of a submarine cable to connect Java with Queensland, I beg to inform you that I have carefully taken out the distances and considered the type of cable I should recommend for that purpose, and estimate that a cable can be manufactured and laid complete between Java and Norman River, Australia, including the purchase of a repairing steamer, for the sum of £865,000 (six hundred and sixty-five thousand pounds).

I am, &c.,  
SAMUEL CANNING.

## No. 9.

LETTER FROM THE AGENT-GENERAL to THE COLONIAL SECRETARY, QUEENSLAND.

B 336-72.

32, Charing Cross,  
17th May, 1872, 4 p.m.

The Honorable The Colonial Secretary, Brisbane.

SIR,

I have the honor to forward communication from British Australian Telegraph Company just received (D), in which they state, that as "they understand that the Telegraph Construction and Maintenance Company are already in communication with this office respecting the laying a cable from Normanston to Port Darwin under a Government guarantee, they will be happy to co-operate to the extent of their power, and should terms be agreed on, to afford every facility for working and maintaining the Submarine Cable, with the Company's maintenance ship now in those waters."

This certainly paves the way for a satisfactory arrangement of the matter, and I shall, as before stated telegraph the terms proposed by the Telegraph Construction and Maintenance Company, from Galle, that prompt action may be taken.

I have, &c.,  
RICHARD DAINTREE.

## No. 10.

TELEGRAM FROM COLONIAL SECRETARY to AGENT-GENERAL FOR QUEENSLAND.

O.H.M.S.

Electric Telegraph, Queensland.

8th July, 1872.

Message to be transmitted from Brisbane, addressed to Agent-General, Queensland, London (via Adelaide and Port Darwin.)

Viscount Monck telegraphs they intend lay cable from Darwin to Norman. If without guarantee—right see No. 7. Will not guarantee branch line.

A. H. PALMER,  
Colonial Secretary.

## No. 11.

LETTER FROM THE UNDER COLONIAL SECRETARY to THE AGENT-GENERAL FOR QUEENSLAND.

E.C.—72-208.

Queensland, Colonial Secretary's Office,  
Brisbane, 11th July, 1872.

SIR,

Adverting to former correspondence on the subject of telegraphic communication with Europe, via Norman Mouth and Java, and a telegram from the Colonial Secretary of 24th April last (which appears to have been very inaccurately repeated), I am directed to inform you that, from a telegram received from Viscount

Viscount Monck, of which a copy is annexed, the Government have reason to believe that the British Australian Company contemplate laying a cable on their own responsibility between the Norman River and Port Darwin.

In the event of this branch line being constructed by the British Australian Telegraph Company, it will, of course, be unnecessary to negotiate further with any other company for laying a separate line, as proposed in the telegram referred to, between Java or such other place as might be considered desirable, and the mouth of the Norman River direct.

It must, however, be borne in mind that this Government will not guarantee any interest on the construction of a branch line, proposed by Viscount Monck (or by any other company), from Port Darwin to Norman Mouth, the guarantee offered being only upon the cost of construction of a direct line between Java and Queensland territory.

In the event of the British Australian Telegraph Company not carrying out the extension mentioned by Lord Monck, then you will continue your negotiations on a basis likely to be approved by the Government; but I am to point out that they positively refuse to accept the terms mentioned in the undertaking by the promoters of the Java and Queensland Telegraph, transmitted under cover of a letter to you from Mr. F. Gisborne, under date 17th May last, a copy of which was received by the last mail.

Enclosed is a correct copy (B) of the telegram forwarded to you on the 24th April last, from this office.

I have, &c.,

H. H. MASSIE,

Under Colonial Secretary.

The Agent-General for Queensland, London.

## No. 12.

LETTER FROM THE AGENT-GENERAL to THE COLONIAL SECRETARY, QUEENSLAND.

391-72.

Queensland Government Offices,  
32, Charing Cross, London,  
September 6th, 1872.

Sir,

I have the honor to acknowledge the receipt of your letter of July 11, 1872, 72-208, with copies of Telegrams—A and B, attached.

In reply I have to state that although the British Australian Telegraph Company had telegraphed to you their intention to lay a cable from Port Darwin to Norman Mouth, on the 7th June last, no intimation reached me that such a telegram had been sent until the 8th June, too late, as I afterwards learned, for the despatch of my supplemental telegram, to the effect that they had taken action in the matter without my previous knowledge.

You will have already learned that no guarantee of interest has been offered by me for the laying such a cable, and on the interruption of the British Australian Line, and receipt of your subsequent instructions in regard to Java—Norman Cable—I deemed it advisable to continue the negotiations for that route.

Your telegram now received—"We will afford every assistance in landing cable, and office accommodation, but will not guarantee interest; advise us probable time of completion, and tariff proposed"—induced me to seek an interview with the representative in London of the British Australian Telegraph Company, to learn if they were still prepared to carry out their proposal without guarantee of interest; his answer was, "unquestionably."

A meeting of directors will be called for the 12th of this month; their proposal will then take shape, and the result will be telegraphed you at once.

The British Australian Company's Cable is still unserviceable, and I learn that some time must elapse before any satisfactory account is given of the fault, owing to the breaking of the "picking-up" gear.

Attached are letters having reference to telegraphic communication with Queensland.

I have, &c.,

RICHARD DAINTREE,

Agent-General.

The Honorable the Colonial Secretary, Queensland.

## No. 13.

LETTER FROM THE COLONIAL SECRETARY to THE AGENT GENERAL FOR QUEENSLAND.

Queensland, Colonial Secretary's Office,  
Brisbane, 5th August, 1872.

E.C.—72-223.

Sir,

With reference to your letter of 12th June, and adverting to a communication from this office of 11th July last (E.C.—72-208.), respecting the construction of a telegraphic cable to connect Queensland with Java, or the line already in operation at Port Darwin, I am now desirous of placing you more fully in possession of the views of the Government on the subject.

You



You are authorised to apprise the British Australian Telegraph Company that, in the event of their line from Darwin to Norman being laid and worked in a satisfactory manner, negotiations for the construction of an independent cable from East Java will be suspended; but if the proposed extension is not proceeded with at once, or if at any time hereafter it is found not to work satisfactorily, then negotiations for the construction of a separate cable are to be resumed, in accordance with the terms proposed in my circular letter of the 11th May last, to which the attention of Messrs. Siemens, Hooper, and others, desirous of submitting offers for the purpose of carrying out the undertaking, should be again invited.

You must, however, always bear in mind, that although the extension of the British Australian Telegraph Company's line from Darwin to Norman may render such a course unnecessary at present, circumstances may hereafter arise that would justify the employment of a second cable, in which case the Government will always be prepared to take into consideration offers for the construction of a second and independent means of communication, with this proviso—that, in no case, will the exclusive concession proposed by Captain Sberard Osborne, in his letter to you of 6th June last, be granted, or the excessive demands contained in Mr. Gisborne's letter of 17th May last, be conceded.

As regards the extension of the cable by the British Australian Telegraph Company from Darwin to Norman, you will understand, as already intimated, that the Government will not guarantee any interest upon the cost of construction; but you may assure the company that all possible assistance will be rendered them in landing the cable at Norman, and that they will be provided with all reasonable office accommodation that may be required.

They may also be assured that on any question that may arise, they will be met by this Government in a spirit of perfect fairness, and that no trouble or expense will be spared in maintaining the lines through this Colony, and keeping them in thorough working order; but it must be remembered that it will rest with the company themselves to make such satisfactory arrangements as regards the tariff and management of the working expenses as may serve to exclude competition.

According to our proposed tariff, a message of twenty words passing through the Colony, a distance of 1,455 miles, would be charged eight shillings (8s.), and the cost on transmission of a message from Norman to Melbourne would therefore be about fourteen shillings.

It is necessary that the Government should be informed as soon as possible of the tariff the company propose to adopt on their side.

You will be good enough to give the earliest intimation possible of the time in which the branch line to the Norman, as proposed by the British Australian Telegraph Company, is expected to be completed, and you will also describe the nature and extent of the office accommodation then likely to be required.

I enclose tracing showing the site of the station at Norman Mouth, and the soundings at the entrance of the river.

The station building is situate about fifty yards above high-water mark, the beach being composed of soft mud and shells.

If the company prefer to erect their own buildings, the necessary permission to do so will at once be granted, and sufficient space allotted within the large area that has been reserved for telegraphic purposes.

I have, &c.,

A. H. PALMER.

The Agent-General for Queensland, London.

## No. 14.

LETTER FROM THE AGENT-GENERAL, WITH ENCLOSURES, to THE COLONIAL SECRETARY, QUEENSLAND.  
396-72.

32, Charing Cross,

October 1st, 1872.

SIR,

I have the honor to acknowledge the receipt of your letter, dated 5th August, 1872, E.C.-228 in which the views of the Government on the subject of telegraphic communication with Queensland are more fully brought under my notice; the contents have been carefully noted.

The enclosed correspondence, which has taken place during September, together with my telegram of 20th September [*Enclosure K in No. 14*], a copy of which is attached, will indicate the shape negotiations have assumed in regard to the completion of a branch cable from Port Darwin to Norman Mouth.

The advice in yours of 5th August, that "if the proposed extension is not proceeded with at once, then negotiations for the construction of a separate cable are to be resumed," assures me that the action already taken will meet with your approval.

Looking at the circumstances attending the transmission of Lord Monck's telegram of June 7th; at the subsequent temporising policy, as expressed in letters of 10th and 18th September; and at the uncertainty attending the repair of the Java-Darwin cable, it would seem that the quickest and most satisfactory way to obtain telegraphic communication with Europe would be to accept the most eligible tender already forwarded to form a Company to complete the direct Java-Darwin line, so that the manufacture of the cable may be proceeded with at once.

The present capital of the British Australian Company is £660,000.

The additional capital proposed to be raised to complete branch line was £320,000.

To secure dividends on such a sum, a high tariff would seem to be a necessity; within what limits this tariff will be fixed, or when the branch line will be completed, no definite proposals have been made; it seems, therefore, waste of time to entertain any farther idea of treating with that Company.

In

In regard to the guarantee of interest to the Java-Norman line, there can be little question that the observation made by Captain Sherard Osborn, in his memorandum of 13th May last, when proposing a guarantee of interest on his Darwin-Norman cable, would apply with still more reason to the direct cable scheme, viz., "That there is little doubt such guarantee would be almost nominal, and be only called for to ensure the capital being raised."

I have, &c.,

RICHARD DAINTREE,

The Honorable the Colonial Secretary.

Agent-General.

*A.—Enclosure in No. 14.*

LETTER FROM AGENT-GENERAL FOR QUEENSLAND to F. GISBORNE, Esq.

Queensland Government Offices,  
32, Charing Cross, London,  
Sept. 4th, 1872.

SIR,

I have received by this mail a letter from the Government of Queensland on the subject of telegraphic communication with the colony, in which it is stated that "They positively refuse to accept the terms mentioned in the undertaking by the promoters of the Java and Queensland Telegraph transmitted under cover of a letter to you from Mr. F. Gisborne, under date 17th May last, a copy of which was received by the last mail."

I have, &c.,

RICHARD DAINTREE,

F. Gisborne, Esq.,  
Holme Hall, Bakewell.

Agent-General.

*B.—Enclosure in No. 14.*

LETTER FROM AGENT-GENERAL FOR QUEENSLAND to VISCOUNT MONCK.

Queensland Government Offices,  
32, Charing Cross, London,  
September 6th, 1872.

MY LORD,

Your telegram—"On application of Agent-General, British Australian Company intend to lay cable immediately between Norman River and Port Darwin"—addressed to the Colonial Secretary of Queensland, reached Brisbane 30th June.

The reply to this has just reached me, to the effect that the Queensland Government will afford every facility in landing the shore end of your proposed Port Darwin and Norman Mouth Cable, at the Norman, and provide office accommodation, on the distinct understanding that they will not guarantee any interest on cost of construction, and that your limit of time of completion, and proposed tariff rates, are deemed satisfactory.

I have, therefore, to request that you will furnish me with a full statement of your proposals as soon as possible.

I have, &c.,

RICHARD DAINTREE,

The Right Honorable Viscount Monck,  
66, Old Broad street, E.C.

Agent-General.

*C.—Enclosure in No. 14.*

LETTER FROM VISCOUNT MONCK to THE AGENT-GENERAL FOR QUEENSLAND.

British Australian Telegraph Company Limited and Reduced,  
11, Old Broad street, London, E.C.,  
10th September, 1872.

No. 5006-480.

SIR,

I have to acknowledge the receipt of your letter of the 6th instant, informing me of the arrival of my telegram to the Colonial Secretary of Queensland, in which I announced this Company's intention to lay a cable immediately between the Norman River and Port Darwin, and requesting me to furnish you with a full statement of this Company's proposals as soon as possible.

You are no doubt aware that since the despatch of the above telegram, an interruption to the working of our Port Darwin Cable has occurred, and that our action, for the moment, is in consequence unavoidably delayed. I have, however, to inform you that my board is still of the same opinion as it was in June last, with regard to the importance of the proposed extension, and as resolved as then to carry its intention into effect.

Every effort is now being made to repair the cable, but it cannot be in working order before the latter part of the month of October.

As soon as communication is re-established, a statement of proposals will be transmitted to you.

I must,

I must, however, submit that as the Company expects no pecuniary assistance from any Government, it is only right that the question of tariff be left now and at all times to the discretion of the directors. It is easily seen, by referring to existing tariffs, within what limits the Company must confine itself, if it wishes to utilize the extension cable.

It is with much gratification that I learn that your Government will afford every facility for landing the proposed cable at the Norman Mouth, and will provide office accommodation at that station.

I have, &c.,

MONCK, Chairman.

Richard Daintree, Esquire,  
Agent-General for Queensland,  
32, Charing Cross.

*D.—Enclosure in No. 14.*

LETTER FROM THE AGENT-GENERAL FOR QUEENSLAND to THE SECRETARY, BRITISH AUSTRALIAN TELEGRAPH COMPANY.

Queensland Government Offices,  
32, Charing Cross,  
Sept. 13th, 1872.

SIR,

I await proposal of your Company to complete Cable from Port Darwin to Norman Mouth.

On 20th instant I leave town for several days, and wish to send epitome of your scheme by telegram to Galle, to catch steamer leaving there the 24th inst.

Yours faithfully,

R. DAINTREE,

Agent-General.

MEMO.—Lord Monck's letter, dated 10th, did not reach office until 15th, as will be seen by correspondence.

R. D.

The Secretary, British Australian Telegraph Company.

*E.—Enclosure in No. 14.*

LETTER FROM SECRETARY, BRITISH-AUSTRALIAN TELEGRAPH COMPANY, to AGENT-GENERAL FOR QUEENSLAND.

5036-494.

British-Australian Telegraph Company (Limited and Reduced),  
66, Old Broad street, London, E.C.,  
16 Sept., 1872.

SIR,

I beg to acknowledge the receipt of yours of the 13th instant.

I trust that you are before this in possession of Lord Monck's letter of the 10th instant.

I am, &c.,

GEORGE LYONS,

Secretary.

R. Daintree, Esquire, Agent-General of Queensland.

*F.—Enclosure in No. 14.*

LETTER FROM THE AGENT-GENERAL FOR QUEENSLAND to THE SECRETARY OF THE BRITISH AUSTRALIAN TELEGRAPH COMPANY.

Queensland Government Offices,  
32, Charing Cross, London, September 18th, 1872.

SIR,

In reply to yours of the 16th instant, I have the honor to inform you that Lord Monck's letter, dated 10th instant, only reached me to-day, as it arrived at this office on the 15th, and I only returned from Dorsetshire yesterday, to which place it had been forwarded.

I hope to receive a prompt reply to my answer of to-day as to proposed time of completion of your branch cable from Port Darwin to Norman Mouth, tariff, &c., otherwise I can only look on the proposal as indefinite and unsatisfactory.

I am, &c.,

RICHARD DAINTREE,

Agent-General.

The Secretary, British Australian Telegraph Co.,  
66, Old Broad street.