

1870.

QUEENSLAND.

PROPOSED SUBMARINE AND LAND TELEGRAPH BETWEEN SINGAPORE AND THE AUSTRALIAN COLONIES.

(FURTHER CORRESPONDENCE RESPECTING)

Presented to both Houses of Parliament by Command of His Excellency the Governor.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE POSTMASTER-GENERAL OF QUEENSLAND.

Queensland Government Offices,
32, Charing Cross, London, 16th June, 1870.

SIR,

I have to acknowledge the receipt of your telegram of the 20th April, and I now beg to enclose copies of a letter addressed by me to Mr. Earle, and of Mr. Earle's reply thereto.

I have had several personal interviews with Mr. Earle, and have, both verbally and in writing, pointed out to him the great delay which must result from the acceptance of such a proposal as that now made by the Government of South Australia.

My impression is that the British and Australian Telegraph Company are anxious to make the best use they can of the offer from South Australia, in order to induce the Eastern Colonies to connect Port Darwin with Burketown and Normanton.

I have made enquiries from the best sources of information open to me, and I am not encouraged to believe that it would be desirable for the Governments of the Australian Colonies to guarantee a rate of interest dependent upon the life of any portion of the cable.

But if it is considered expedient to facilitate the undertaking by any material assistance, I would suggest that this could probably be done more effectually by the Governments of the Australian Colonies undertaking to forward all oceanic messages at a minimum and uniform rate, or perhaps even free of charge altogether. Telegraphic communication between Australia and Great Britain must necessarily for many years be very expensive, and any combination having a tendency to cheapen it would be beneficial to the interests of all concerned. I may add that it would be a subject for congratulation if, in this matter of telegraphic communication, the Australian Colonies could be induced to enter into more confidential relations with one another, for the purpose of giving effect to united action in a branch of the administration which would be rendered more effectual by concentration.

I would further respectfully beg to suggest that, if it should be determined to hold out any such special advantages to the British and Australian Telegraph Company as those to which I have referred, the Governments of the Australian Colonies should claim some reciprocal advantages from the company; and among these I think it would be found advantageous to secure the right of priority of transmission for all messages sent from Australia on the service of Her Majesty.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Postmaster-General, Queensland.

(COPY.)

Queensland Government Offices,
32, Charing Cross, London, 16th June, 1870.

SIR,

I have received instructions to inform the British and Australian Telegraph Company that the Government of Queensland have received a letter from Commander Noel Osborn, which will be acted on. I am also to inform the company that no advance has been made in carrying out the proposed line to Port Darwin across the continent of Australia, and an opinion is expressed by the head of the Telegraphic Department in Queensland that such a line could not be constructed in less than four years.

I am, &c.,

JOHN DOUGLAS.

U. W. Earle, Esquire, Managing Director,
British and Australian Telegraph Company.

(COPY)

(COPY.)

British Australian Telegraph Company Limited,
66, Old Broad Street, London, E.C., 15th June, 1870.

SIR, I beg to acknowledge receipt of your letter of the 13th instant, informing me that you have received instructions to acquaint this Company that your Government has received a letter from Commander Osborn which will be acted on.

With regard to the concluding paragraph of your letter, I have to inform you that no doubt is felt in South Australia as to the completion of the proposed line by the end of next year, and that we are waiting the sanction of Parliament to the scheme by which we shall be entirely relieved from all land lines.

I am, &c.,

C. W. EARLE,
Managing Director.

John Douglas, Esq., Agent-General for the Colony of Queensland.

THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND to JOHN DOUGLAS, ESQUIRE.

Colonial Secretary's Office,
Brisbane, 11th July, 1870.

SIR,

Adverting to my letter of 11th June last, respecting an offer made by the British and Australian Telegraph Company to extend their cable to the mouth of the Norman River, in the Queensland Territory, I have again to press upon you the necessity of carrying out the object of this Government in securing the use of the cable for Queensland and New South Wales, *and not to consent to any arrangement whatever that would admit of South Australia being connected with the Company's line.*

The cable, avoiding any portion of the northern territory of South Australia, must be brought *direct* to a suitable point (such as Norman River) in this colony.

If the British Australian Telegraph Company, under pressure brought to bear upon them by the advocates of the South Australian line, will *not bind* themselves to this condition, the negotiation with them must terminate, and it will be desirable that efforts should be made to induce another company to undertake a scheme for connecting Queensland by a cable direct from East Java or Singapore.

I have, &c.,

A. H. PALMER.

The Agent-General for Queensland, London.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND.

Queensland Government Offices,
Charing Cross, London, 14th July, 1870.

SIR,

In reference to your letter of the 14th May (No. 117), forwarding copy of a Report from the Superintendent of Electric Telegraphs, together with copy of a telegram sent to me by the April mail, my previous correspondence will have placed you in possession of the representations I felt it my duty to make to Lord Monck, Mr. Earle, and other Directors of the British and Australian Telegraph Company.

2. I shall take care to make the directors of the company acquainted with the contents of Mr. Cracknell's Report of the 11th May, as also of his Report to the Postmaster-General of the 10th May.

3. Pending the decision of the Legislature of South Australia, or the combined action of the Australian Colonies, I do not think that any active steps will be taken to give immediate effect to the project of the company; and I understand that the manufacture of the cable for the Australian section is not at present being proceeded with.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY, QUEENSLAND.

Queensland Government Offices,
Charing Cross, London, 1st August, 1870.

SIR,

I have to acknowledge the receipt of your telegram of the 14th July from Galle, instructing me to endeavor to secure the landing of the telegraph cable at the head of the Gulf of Carpentaria, instead of, as at present proposed, at Port Darwin.

The correspondence, a copy of which I now forward, will explain to you the representation which I felt it my duty to make; and though I regret to say that I have not succeeded in my endeavors to induce the British and Australian Telegraph Company to reconsider their position, I still hope that such steps may be taken in Australia as will secure to all the Colonies effectual means for enabling them to avail themselves in as complete a manner as possible of the benefits likely to arise from uninterrupted telegraphic communications with Asia and Europe.

In accordance with your instructions I supplied the British and Australian Telegraph Company with a copy of Mr. Cracknell's Report of the 10th May, and I also communicated that valuable paper to the Editor of the *Australian and New Zealand Gazette*, a weekly paper containing an epitome of news, which is widely circulated among Australian Colonists in England.

Mr. Cracknell's Report was reviewed and commented upon in a leading article.

I have thus done everything that I can to place this matter in its true light, and shall await your further instructions with interest.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

[COPY.]

JOHN DOUGLAS, ESQUIRE, to VISCOUNT MONCK, G.C.M.G., Etc., Etc., Etc.

Queensland Government Offices,
Charing Cross, 16th July, 1870.

MY LORD,

Early in May last, the Managing Director of the British and Australian Telegraph Company called upon me and informed me that the company had received an offer from the Government of South Australia, which might induce them to abandon their contemplated land line from Port Darwin to Burketown in Queensland.

In consequence of that communication I addressed a letter to your Lordship on the 10th of May, and endeavored then to point out the serious delay which might result, if the company relied too implicitly upon the excellent intentions of the Government of South Australia to complete their continental land line before the close of 1871.

On the 12th of May I received a reply from Mr. Earle, to the effect that, without in the least doubting the accuracy of the general views expressed by me, as to the most eligible route for telegraphic communication between the Australian Colonies and the rest of the world, he might take it upon himself to say, that in the opinion of the directors, the interests of the company would be best considered by an arrangement which would leave them free from the construction, working, and maintenance of land lines in Australia; and that the directors would accept the most eligible offer which might be made to them before the 7th of August. Mr. Earle added, that if the Government thought fit to make an offer, the company would give it their best attention, and their most careful consideration. I subsequently called upon Mr. Earle, and after some conversation with him, I communicated with my Government by telegram.

I am now authorised by the Government of Queensland, acting in conjunction with the Government of New South Wales, to offer to your company, that subject to the approval of Parliament, five per cent. should be guaranteed upon the cost of the additional length of cable required, so as to make the terminal station of the company at the head of the Gulf of Carpentaria, instead of at Port Darwin.

This offer is coupled with the conditions that the cable shall be laid direct from Koepang to Carpentaria, that the guarantee shall commence from the time when the cable is laid, and shall continue while it is in working order.

I yesterday waited on Mr. Earle, and acquainted him with the offer I was authorised to make. I had also the pleasure of seeing Sir James Anderson, and Lord William Hay, who are both of them, I believe, directors of your company. I was led to understand by all of these gentlemen, that in all probability my proposal would not be accepted; and the more so, as information had just been received of the passing of an Act by the Legislature of South Australia, authorising the construction of a land line from Port Augusta to Port Darwin.

I am instructed, however, to press this matter seriously upon the attention of the directors of the British and Australian Telegraph Company, and I have therefore to request your Lordship to obtain a definite decision from your board upon this subject, which is of some importance, not only to the province of South Australia, but to the whole community of Southern and Eastern Australia; and I have specially to express a hope that the company, in any engagements which they may enter into with the province of South Australia, will take care to secure for themselves uncontrolled means of connecting their cable at Port Darwin with subsidiary coast cables, or with such other alternative land lines as may be deemed essential in the interests of Australian telegraphy.

I should by no means wish it to be supposed that the Government of Queensland anticipate any abridgment of the ordinary facilities for the transit of telegraphic messages through South Australian territory; and the spirited determination to undertake the construction of a line across the continent, in spite of considerable natural obstacles, and at a cost which from a money point cannot be considered remunerative, forbids me to suppose that the Legislature of South Australia is actuated by any other motive than a healthy desire to promote the public interests.

But there are not wanting instances in Australian Legislature which seem to indicate that, at times, the special advantage of one province is not always held in due subordination to the interests of the community as a whole, and I have therefore ventured to direct the attention of the board of directors to this point.

I now beg to enclose copies of a Report addressed to the Colonial Secretary of Queensland, by Mr. Cracknell, the Superintendent of Telegraphs, together with other correspondence on this subject, published by the authority of the Queensland Legislature.

I have, &c.,

JOHN DOUGLAS.

Viscount Monck, G.C.M.G., &c., &c., &c.

GEORGE LYONS, ESQUIRE, to JOHN DOUGLAS, ESQUIRE.

British Australian Telegraph Company, Limited,
66, Old Broad street, London, E.C., 22nd July, 1870.

SIR,

I beg to acknowledge receipt of your letter dated the 16th July, addressed to the Right Honorable Viscount Monck, chairman of this company.

I am instructed to inform you that the same has been laid before the board, but they do not consider the terms offered by the Queensland Government such as they can entertain.

The board of directors would suggest, as they have already a provisional agreement with the South Australian Government for the construction of a land line from Port Darwin to Port Augusta, that you should put yourself in communication with Mr. Dutton, the Agent-General of South Australia, believing that it would be for the interest of this company, as well as for the Australian colonies generally, that there should be a connection with the north-eastern territory. Doubtless, with your influence, an amicable arrangement might be made. I shall be glad to hear if you should have any further communication to make.

I have, &c.,

GEORGE LYONS, Secretary.

John Douglas, Esquire, Agent-General for Queensland.

JOHN DOUGLAS, ESQUIRE, to THE SECRETARY OF THE BRITISH AND AUSTRALIAN TELEGRAPH COMPANY.

Queensland Government Offices,
Charing Cross, 28th July, 1870.

SIR,

I have the honor to acknowledge receipt of your letter of the 22nd instant, and regret to learn that your board of directors do not consider the terms offered by the Queensland Government such as they can entertain.

In spite of the determination of the Government of South Australia to push forward the construction of their land line from Port Augusta to Port Darwin, I must again beg very respectfully to express an opinion as to the very considerable difficulty of such an undertaking, and most decidedly as to the impossibility of completing such a line before the close of 1871. It is not for the interest of the company to depend solely on that land line across an arid and uninhabited country.

It is most certainly for their interest to secure communication through civilised territories, independent of such delays as must attend the construction of the line across the central deserts of Australia.

Neither is it for the interest of the eastern colonies of Australia that their right of communication with the British and Australian cable at Port Darwin should be controlled by South Australia. I am at present uninformed as to the conditions, if any, on which the South Australian Legislature propose to authorise a junction with their line at the Roper; and the Agent-General for South Australia, to whom, on your suggestion, I have applied, cannot supply me with any further information than that which I already possess; but in the interests both of the company and of the Colony of Queensland, who in this instance is acting in conjunction with the Colony of New South Wales, I beg to request that before the ratification of the provisional agreement with the South Australian Government, to which you refer, the shareholders of the company may be acquainted with the offer which I have been instructed to make.

I have, &c.,

JOHN DOUGLAS.

The Secretary of the British and Australian Telegraph Company.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND.

Queensland Government Offices,
Charing Cross, London, 9th August, 1870.

SIR,

I have the honor to acknowledge receipt, on the 8th instant, of your telegram from Sydney of the 29th June, in reference to telegraphic communication. The Australian mail, *via* Suez, will not be delivered in London until the 22nd instant, in consequence of the double break-down both at Galle and Bombay.

I regret, therefore, that I am not in possession of those detailed instructions, without which I should not feel justified in enlarging the terms and conditions named in your telegram of the 14th July, from Galle, which, on being submitted to the British and Australian Telegraph Company, were declined by them.

A general meeting of the shareholders of that company was held to-day, and deeming it desirable to be present on this occasion, I purchased a few shares in order to secure the right. I was thus enabled to draw the attention of the shareholders to the terms which had been offered by the Government of Queensland, which I endeavored to explain as being in reality more likely to subserve the interest of the company than those which were offered by the Government of South Australia.

It was originally intended that a resolution should be passed ratifying the provisional agreement made by the directors with the Government of South Australia.

A modified form, however, of this resolution was adopted, and the directors were authorised to enter into arrangements with the Governments of South Australia and Queensland as they might deem expedient.

I felt justified in attending this meeting as a shareholder; for, had I not done so, no reference would have been made to the offers of guarantee made by the Queensland Government.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND.

Queensland Government Offices,

Charing Cross, London, 11th August, 1870.

SIR,

I have the honor to acknowledge the receipt of your telegram of the 6th of August, from Galle, instructing me specially to secure the landing of a cable at Normanton.

I have waited on several of the directors of the British and Australian Telegraph Company, and have addressed a letter to the Chairman of the Board on the subject, a copy of which I now enclose.

I also forward herewith copy of resolutions passed at the extraordinary general meeting.

These resolutions, you will observe, leave much to the discretion of the directors, and I think it must be apparent to them that they must seriously consider the claims of Queensland.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

[COPY.]

JOHN DOUGLAS, ESQUIRE, to VISCOUNT MONCK, G.C.M.G., ETC., ETC., ETC.

Queensland Government Offices,

Charing Cross, 11th August, 1870.

MY LORD,

On the 28th July, I addressed a letter to the Secretary of the British and Australian Telegraph Company, expressing my regret that the directors had seen fit to decline the offer made by the Government of Queensland, acting in conjunction with the Government of New South Wales, and expressing a hope that they would be good enough, at the general meeting held to consider the proposition made by the Government of South Australia, to inform the shareholders of the offer which I had been instructed to make.

I, also, at the same time, availed myself of the opportunity to forward certain reports and correspondence in reference to the contemplated overland line from Port Darwin to Port Augusta.

I have not yet been favored with an acknowledgment of that letter, nor, I regret to say, did the directors appear to consider the offer I had been instructed to make of sufficient importance to bring the matter under the notice of the shareholders; and it was left to me in my capacity as a shareholder, to elicit the information from your Lordship.

I have now the honor to inform your Lordship that I have received instructions to state to the British and Australian Telegraph Company that it is not the intention of the Government of Queensland to undertake at present the construction of any land lines beyond Normanton, a small township on a navigable river at the head of the Gulf of Carpentaria. It will thus become apparent that the alternative land line, contemplated by a junction of the Queensland lines with the contemplated South Australian line at the Roper or Nicholson, can no longer be depended on; and the company must therefore understand that, in that direction, they must depend solely on the contemplated land line through the territory of South Australia.

I am, however, further instructed to secure the landing of a cable at Normanton simultaneously with that which it is the intention of the company to land at Port Darwin; and I am authorised to offer such a guaranteed interest as it is believed will be sufficient to secure the cost of a cable for such a purpose. I am prepared, therefore, to pledge my Government to co-operate heartily with your company in the manner described; and I trust that I may anticipate equivalent good-will from the board of directors in a matter which very vitally concerns the interests of the shareholders.

I have, &c.,

JOHN DOUGLAS.

Viscount Monck, G.C.M.G., Chairman of the British and Australian Telegraph Company.

Proposed by VISCOUNT MONCK, Seconded by LORD WILLIAM HAY.

That the Directors be empowered to conclude such arrangements with the Governments of South Australia and Queensland as may seem expedient.

Carried unanimously.

Proposed by VISCOUNT MONCK, Seconded by WM. MCARTHUR, Esquire, M.P.

That the Directors be empowered to make such modifications in their cables and lines as the agreements with the Governments of Australia necessitate, and generally to take such steps as may be conducive to the interests of the company in relation thereto.

Carried unanimously.

True extract.

(Signed)

GEORGE LYONS,

Secretary.

[COPY.]

Queensland,

Colonial Secretary's Office,

Brisbane, 4th October, 1870.

SIR,

Referring to your letters of 9th and 11th August respectively (Nos. 120-70 and 51-70), detailing your proceedings and covering correspondence with the British and Australian Telegraph Company relative to the proposed line of communication between Great Britain and these Colonies, I am instructed to inform you that the Government approve of the action taken by you, and appreciate the zeal and energy you have displayed in attempting to carry out their wishes. It is a matter of regret that your exertions have not led to a more satisfactory issue.

By a telegram of the 30th September last (copy of which is appended for your information), you will perceive that there is a project in view for establishing an alternative line between the first point of communication (Port Darwin) and the neighboring colonies.

I am

I am instructed to assure you that the Government will adhere to their former intention, of which you are already in possession, and will not undertake, at present, the construction of any land line beyond Normanton, so that the project of establishing an alternative line, by effecting a junction of the South Australian and Queensland lines at the Roper or the Nicholson, must at once be abandoned by the British and Australian Telegraph Company, who will have to rely entirely on the contemplated land line connecting Port Darwin and Port Augusta.

As it may be regarded almost as a certainty that this line will never be finished within the time specified for its completion, any connection with it would manifestly be to the disadvantage of this Colony, and will not be consented to.

It is still advisable that you should continue your negotiations for the construction of a separate cable to be landed at Normanton, with the British and Australian Telegraph Company, or, failing them, with some other reliable company willing to accept the guarantee you have already been authorized to give on behalf of the Queensland Government.

It has incidentally come to the knowledge of the Government that the British and Australian Telegraph Company demand, or are likely to demand, a guarantee of (5) five per cent. free of all deduction. If by this expression is meant that they are to receive a bonus of five per cent. upon the actual outlay incurred in laying the cable, the demand is manifestly absurd, and cannot for a moment be entertained.

In the event of no company being found willing to accept the terms offered to them, it may be a matter for consideration of this Government whether it would not be desirable to place themselves in a position to compete with the South Australian line, and to enter into an undertaking, in which, possibly, New South Wales and New Zealand would join, for the construction and laying down of a small cable from the Norman to East Java, whence a connection with Singapore could be secured by the lines of the Netherlands Indian Government.

Some communication has already been made on this subject, to which, however, it is not necessary more particularly to advert at present.

The Government are still in favor of giving a guarantee to a company willing to construct the line, in preference to entering into a contract themselves, to which end they are desirous that you should still continue to direct your attention.

I have, &c.,

H. H. MASSIE,
Under Colonial Secretary.

The Agent-General for Queensland, London.

TELEGRAM.

THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND to THE HONORABLE THE COLONIAL SECRETARY OF NEW SOUTH WALES.

Brisbane, 29th September, 1870.

We have heard from Douglas that B. A. Co. decline to take cable to Normantown, and that they ask for a payment of five per cent. on their outlay, free of deduction. Would it not be better for New South Wales and Queensland to raise money and construct line themselves, in proportion of two-thirds New South Wales, one-third Queensland? We think a line of two thousand (2,000) miles, from Normantown to Java, would be laid for £350,000 (three hundred and fifty thousand pounds), which would, at five (5) per cent., be six thousand, Queensland; twelve thousand, New South Wales, per annum. New Zealand would, probably, take a share. Say whether you will submit such a project to your Parliament.

A. H. PALMER,
Colonial Secretary.

TELEGRAM.

THE HONORABLE THE COLONIAL SECRETARY OF NEW SOUTH WALES to THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND.

Sydney, 4th October, 1870.

We consider it not desirable to have competing lines from Java, but that the preferable plan would be to connect with South Australian Line from Port Darwin. The Queensland Government would be almost certain to have the messages if, as is expected, the South Australian Line from Port Darwin to Port Augusta proves a failure. But we do not feel justified in joining in the construction of a second line.

CHAS. COWPER,
Colonial Secretary.

TELEGRAM.

THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND to THE HONORABLE THE COLONIAL SECRETARY OF NEW SOUTH WALES.

Brisbane, 5th October, 1870.

Oblige by reserving your decision until receipt of my letter of to-day. I hope you have not communicated with South Australia. We are positively determined not to connect at the Roper

A. H. PALMER,
Colonial Secretary.

TELEGRAM.

THE HONORABLE THE COLONIAL SECRETARY OF NEW SOUTH WALES to THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND.

Sydney, 6th October, 1870.

As you desire, we will await the receipt of your letter before determining re telegraph.

CHARLES COWPER,
Colonial Secretary.

THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND to THE HONORABLE THE COLONIAL SECRETARY OF NEW SOUTH WALES.

Queensland, Colonial Secretary's Office,
Brisbane, 7th October, 1870.

Sir,

I have the honor to acknowledge the receipt of your telegram of the 4th instant, intimating that you did not consider it desirable to have competing Telegraphic Lines from Java, as suggested in my telegram of 29th ultimo, and you express an opinion that it would be more advisable to connect with the Land Line of South Australia, from Port Darwin to Port Augusta, than to have a second line landed within the Queensland Territory, in the construction of which you did not feel justified in joining.

As connection with the South Australian Line, in any way whatever, is totally opposed to our views, I should be glad if you would take into consideration the enclosed copy of a letter addressed by the Superintendent of Telegraphs to the Postmaster-General before you come to a final determination on the matter, as I am in hopes it may induce you to alter your opinion.

I have, &c.,
A. H. PALMER,
Colonial Secretary.

The Honorable the Colonial Secretary, New South Wales.

[ENCLOSURE.]

THE SUPERINTENDENT OF ELECTRIC TELEGRAPHS to THE HONORABLE THE POSTMASTER-GENERAL OF QUEENSLAND.

Electric Telegraph Department,
Superintendent's Office,
Brisbane, 3rd October, 1870.

Sir,

I have the honor, by direction, to report on a telegram [*vide* Enclosure], received by the Honorable the Colonial Secretary from the Chief Secretary, Adelaide, informing this Government that the British Australian Telegraph Company has consented to their proposition to terminate their works at Port Darwin; and at the same time urging the Government of South Australia to arrange with the other colonies for an alternative route. Before doing so, however, I may remark that, although the Company was formed for the purpose of connecting Singapore with the Queensland system, the Representative of the Telegraph Construction and Maintenance Company, on arriving in Australia, placed himself in communication with the South Australian Government, and, without reference to the Eastern Colonies, entered into a provisional arrangement with them to terminate the company's works at Port Darwin, provided that colony would undertake to construct a land line across the continent to Port Augusta. This has since been approved of by the company in the face of a letter dated 25th January, 1870, from Captain Sherard Osborn, R.N., Managing Director of the Telegraph Construction and Maintenance Company, to the Secretary of State for the Colonies, in which he states that the line would be carried out in extension of the Queensland system; also, a letter of the same date, from Captain Sherard Osborn to His Excellency the Governor, urging that this Government would lose no time in completing the line to Burketown, so as to be prepared to meet their works.

The proposal of the Queensland Government—for the Company to lay a cable from Normanton to Coepang, under a five per cent. guarantee—is declined in the present state of money market.

I do not think that the proposal, emanating from the company, for us to extend our lines from Normanton to connect with the South Australian main line at the Roper, when the probable outlay and doubtful benefit is duly considered, can be seriously entertained. In a letter, dated 16th June last, to the Governor of South Australia, Lord Monck, Chairman of the British-Australian Telegraph Company, says:—"In view of the loss that would arise, both to the Australian Colonies and the company, were the cable to be landed at Port Darwin before the completion of the land line to Port Augusta, I would beg to call your attention to the question, whether it would not be advisable to commence the construction from Port Darwin as well as from Port Augusta, at the same time inviting the co-operation of Queensland by simultaneously extending her system towards the proposed points of junction. By this means, should the whole line between Port Darwin and Port Augusta not be complete by the time of landing the cable, there would still be a connection between the cable and the centres of government and commerce *via* Queensland." For this purpose, and during interruptions on their direct line, the proposed connection would no doubt prove of great convenience both to South Australia and the company, but at no other time could we expect a fair share of the business to and from the neighboring colonies, as, in the event of their line working well, it is but natural that they should secure all the traffic possible. This might be done by a protective tariff between our junction station and Port Darwin, or in other ways.

The length of a line from Normanton to the proposed junction on Stuart's track, near the Roper, would be about 700 miles, and the cost of construction, including station buildings, would be about £80,000.

In order to ensure constant communication, station buildings would be required at distances not exceeding fifty miles, and the total annual cost for maintenance and working might be stated at £10,000, which, added to the interest on cost of construction, would make this line a total annual charge of about £15,000.

Under these circumstances it would be preferable to be in a position to fairly compete with the South Australian line; and in the event of our offer to the British-Australian Company of a guarantee of five per cent. per annum on the cost of a cable from Coepang to the Norman not being at once taken up, I would recommend the desirability of the Governments of New South Wales, New Zealand, and Queensland, entering into a contract for laying a cable from the Norman to East Java, and then relying on the lines of the Netherlands Indian Government for connection with Singapore.

The total distance from East Java to the Norman is 2,000 miles, and the total cost of laying a suitable and serviceable cable would not exceed £350,000; this, at five per cent., would give an annual cost of £17,500. The annual cost for maintenance and working would be about £5,500, making a total annual cost of say £23,000, which might be provided by the three colonies, and the receipts divided accordingly. This cost would be made up by a traffic of twenty-five messages each way, or a total of fifty messages each day, for 307 days during the year, at a tariff of thirty shillings for each message. I have little doubt but that, if the means of communication were available, the amount of business would far exceed general anticipation, as the competition of trade would compel its use.

In conclusion, I may observe, that should this proposal meet with the approval of the governments interested in opening up this communication, it will be necessary to send a competent person to England without delay, to make arrangements and overlook the manufacture of the cable, in order that it may be laid as soon as possible after the completion of our land line to the Gulf, which I have every reason to hope will not be later than April next.

I have, &c.,

W. J. CRACKNELL.

The Honorable the Postmaster-General.

TELEGRAM.

THE CHIEF SECRETARY, ADELAIDE, to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Adelaide, 30th September, 1870.

British Australian Telegraph Company consent to land cable at Port Darwin to join our overland line, on terms which we are prepared to agree to. They, at the same time, urge us to arrange with other colonies for an alternative line. We have no objection to negotiate on an equitable basis for alternative land line, for which our deviation to the Roper is admirably adapted. What are your views on this subject? We have telegraphed to New South Wales Government—asked them to confer with you on the subject.

CHIEF SECRETARY,

Adelaide.

TELEGRAM.

THE HONORABLE THE COLONIAL SECRETARY, QUEENSLAND, to THE CHIEF SECRETARY, ADELAIDE.

Brisbane, 7th October, 1870.

I have laid your telegram of 30th ult. before Cabinet. Pending communication with N. S. Wales, we decline any present action. We don't understand meaning of deviation to the Roper. Do you mean to come down to mouth of river, or us to connect on Stuart's track?

A. H. PALMER,

Colonial Secretary.

THE HONORABLE THE COLONIAL SECRETARY, QUEENSLAND, to THE HONORABLE THE COLONIAL SECRETARY, NEW SOUTH WALES.

Queensland, Colonial Secretary's Office,

Brisbane, 21st October, 1870.

Sir,

Referring to numerous communications on the same subject, I now forward copies of telegrams from the South Australian Government, with my reply thereto, to which I have not yet received any answer.

I have also the honor to enclose two memorandums from our Superintendent of Telegraphs with reference to the same subject.

I have, &c.,

A. H. PALMER,

Colonial Secretary.

The Honorable the Colonial Secretary, New South Wales.

THE SUPERINTENDENT OF ELECTRIC TELEGRAPHS to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Electric Telegraph Department,
Superintendent's Office,

15th October, 1870.

MEMO.—With reference to my letter of the 3rd instant, to the Honorable the Postmaster-General, reporting on the proposed extension of the Queensland system, to connect with the South Australian trunk line at the Roper, I have the honor, in accordance with your request, to pass a few remarks relative to the nature of the country between the Roper and Albert, and the probable cost of construction, &c.

I am

I am informed by the Surveyor-General that the country the proposed line would traverse offers few facilities for the construction of the telegraph, and in several localities is impracticable for the passage of drays.

I learn from Mr. Gregory's valuable report (which he has kindly placed at my disposal), on the proceedings of the exploring expedition under his command in 1856, that the timber in north-western Australia generally is small, crooked, and decayed at the heart, and that the country between the Roper and the Albert was found to be extremely barren, consisting for the most part of rocky sandstone hills, or sandy table land, covered with scrub. Should this route be followed, so far as at present known, no timber suitable for telegraph poles can be found, excepting in the vicinity of the Roper.

In Leichhardt's description of the coast country he explored, between the above rivers, in 1845, I see nothing to lead to the belief that the timber materially differs from the kind met with in other localities on the southern shores of Carpentaria, where very little is found available for construction purposes.

I roughly estimate the average cost of proposed line at £100 per mile, which cannot be thought excessive when the nature of the country is duly considered. The iron poles alone, exclusive of land carriage, would cost half this amount.

£7,000 has been allowed for erecting thirteen (13) station buildings, and £3,000 for supervision, instruments, stores, and incidental expenses; making the total cost for erecting the 700 miles of line £80,000, and I do not believe a serviceable line can be erected for a less amount, unless better country can be discovered than at present known.

39 officers would be required to work the line, as it would be necessary to place three men at each station for protection from the blacks, who are both hostile and numerous.

The officers in charge would be allowed £300, and the line men £150 per annum; total for salaries, £7,800; this, with an amount of £2,200 for provisions, stores, maintenance, and carriage, would make the total annual working expenses £10,000, which could not be reduced until the country becomes settled or police protection provided.

This colony can hardly be expected to expend so large a sum in constructing and maintaining a line that will be useless for local purposes for many years to come; but should the neighboring colonies deem the proposed connection desirable in order to secure a double means of communication with the northern coast, there can, I think, be no objection to allow them to carry out the proposal by means of a submarine cable between the rivers Norman and Roper at their own cost, leaving Queensland free to make arrangements for a direct line when opportunity offers.

W. J. CRACKNELL.

The Honorable the Colonial Secretary.

Electric Telegraph Department,
Superintendent's Office,
Brisbane, 20th October, 1870.

MEMO.—Distance from mouth of the Norman to mouth of the Roper, allowing for slack—say 425 miles; cost of cable with expenses of laying—say £80,000; annual cost for maintenance and working expenses—say £2,000.

The principal advantages of a cable from the Norman to the Roper over the construction of a land line are the less cost of working expenses and maintenance, and certainty of its construction within a given time. The construction of a land line would take a long time, and should seasons prove unfavorable it would be hard to say when it could be completed.

Should it be determined to treat with South Australia as to this line, there should be a specific undertaking on their part, that they will build the line to the mouth of the Roper within a given time; also, that they will satisfactorily maintain the line in proper order through their territory. It should also be first agreed that the charge from Port Darwin to the Roper is reasonable; also, that our branch line should receive a certain share of business—say all Queensland and New South Wales, and half of Victorian and Tasmanian business.

The distances and cost of lines in Queensland are as follows:—

New South Wales border to Brisbane...	...	179 Miles	£16,000
Brisbane to Cardwell	1,032 "	£57,000
Cardwell to Normanton	440 "	£22,000
Total	1,651 "	£95,000

Sydney to Queensland Border... 527 Miles, cost £23,854

W. J. CRACKNELL.

The Honorable the Colonial Secretary.

THE HONORABLE THE COLONIAL SECRETARY OF QUEENSLAND to JOHN DOUGLAS, ESQUIRE.

Queensland, Colonial Secretary's Office,
Brisbane, 2nd November, 1870.

SIR,

I am directed to transmit for your information a memo. addressed to the Colonial Secretary by the Superintendent of Telegraphs, which embodies the general views of the Government on the subject of telegraphic communication between Great Britain and the Australian Colonies.

I have, &c.,

H. H. MASSIE,

Under Colonial Secretary.

The Agent-General for Queensland, London.

[COPY.]

[COPY.]

THE SUPERINTENDENT OF ELECTRIC TELEGRAPHS to THE HONORABLE THE COLONIAL SECRETARY.

Electric Telegraph Department,

Superintendent's Office,

Brisbane, 1st November, 1870.

MEMO.—The telegram referred to in Mr. Douglas' letter of the 7th September last has not been received, but as his letter of the 2nd of the same month mentions an Act of Parliament required to be passed by the Legislature of South Australia guaranteeing the British Australian Company against loss, it probably relates to the same subject.

Should the British Australian Company accept the terms now offered by the Bill in question, which has passed through all its stages, and, as stated in Mr. Douglas' letter of the 2nd of September, carry their cable direct from Java to Port Darwin, the Netherlands Indian Government would, no doubt, assist the Eastern Colonies to lay a cable from East Java *via* Coepang to the Norman, and connect their lines in Sumatra with Singapore. They would at the same time be in a position to make arrangements for a fair share of the traffic from India and Europe.

All the land sections on this line would traverse settled country throughout, and constant communication could be secured. Thus the interests of Queensland and the neighboring colonies would be better served than by the proposed extension from Normantown to the Roper, which would pass through unsettled country, and be liable to frequent and protracted interruptions.

I have little confidence in the line now in course of erection between Port Augusta and Port Darwin, but think it would be even better for a time to depend upon South Australia for our international business than expend the large sum of money that would be required to extend our line to the Roper, which, at the best, would be of doubtful benefit to Queensland.

In the event of Java and the Eastern Colonies declining the responsibility of a direct line from the Norman, there can be little doubt, when the true position of the British Australian Company with regard to the Australian land lines becomes known in England, but that another company will be started to complete the proposed connection with Eastern Australia, and thereby secure the advantages that the British Australian Company has evidently thrown away.

W. J. CRACKNELL.

The Honorable the Colonial Secretary.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Queensland Government Office,

Charing Cross, London,

5th October, 1870.

SIR,

I forward herewith copy of a letter I have to-day received from Mr. Gisborne, the original projector of telegraphic communication between England and Australia.

I gather from my previous correspondence with you, as well as from information derived from the managing director of the British-Australian Company, that the right to connect with the submarine cable at Port Darwin will not be allowed by the Government of South Australia except on such terms as are not likely to be accepted by the Government of Queensland.

It would, therefore, appear that the fortuitous possession of uninhabited territory on the northern coast of Australia by a province whose natural coast line fronts the Southern Ocean, is likely to prove a barrier to the complete circulation of that intelligence which, by the enterprise of British capitalists, will be conveyed to the shores of Australia.

This exclusive spirit, fostered, as it has been, by the existence of boundary lines which, though at present arbitrary, are essentially fictitious, may not, however, be unattended by counterbalancing advantages; for it would now appear that the Governments of Queensland and New South Wales will not be content to remain dependent upon the Government of South Australia in a matter in which a territorial superiority, governed by no sound geographical principles, has given birth to a policy which seems to be both mischievous and obstructive.

I infer, accordingly, that the Governments which have reason to be dissatisfied with the South Australian monopoly will be favorably disposed to Mr. Gisborne's proposals, which, if adopted, would have the effect of providing a duplicate line of telegraphic communication between England and Australia.

I have already expressed my opinion in favor of the direct purchase of a cable.

I cannot, and do not, after full consideration, recede from that opinion; but I feel bound to say that I believe Mr. Gisborne's connection to be an influential one, and I have no doubt that if his proposal is accepted, the result will be that a duplicate line will be laid simultaneously from Java to India as well as from Java to Australia.

Every day increases the confidence of the public in submarine telegraphy, and the risk attached to the submersion and maintenance of cables is reduced to a minimum which is surprising to contemplate. The possession of intelligence by this mode of communication becomes more and more a public necessity; and it is most fitting that the Governments of such communities as those in Australia, should undertake the development of these enterprises, which are likely to have so large an influence in the future.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

R. GISBORNE,

R. GISBORNE, ESQUIRE, to JOHN DOUGLAS, ESQUIRE, AGENT-GENERAL FOR QUEENSLAND.

7, Bruton street, London, W.,

4th October, 1870.

SIR,

I desire to submit to your Government a proposal for establishing a submarine line of telegraph from the east end of Java to the head of Gulf Carpentaria.

As matters stand, all the Australian Colonies have been invited to adopt a sea telegraph, proposed to be laid between Java and Port Darwin, with an overland extension to the head of Spencer Gulf, as their only means of communication with India and Europe. The sea portion is to be carried out by a company, and the overland portion by the South Australian Government.

Various serious difficulties have arisen in concluding any arrangement for connecting the Queensland telegraph, terminating at the head of Gulf Carpentaria with Port Darwin.

I desire to submit a few considerations, which go to show that, in any case, a direct line from East Java to the head of Gulf Carpentaria is absolutely required.

The advantage to all the Australian Colonies of possessing a duplicate line will be rendered clear when it is considered that had the telegraphic communication between Europe and America, and between Europe and India, depended upon only one line in each case, it would, both as regards America and India, have been frequently interrupted for several months at a time. Moreover, the interests of Queensland, New South Wales, and New Zealand evidently require a separate and independent means of telegraphic communication, starting from a distinct point from the coast of Australia, and under the exclusive control of those colonies.

I now proceed to explain the plan for establishing the proposed independent and alternative line. As it is to some extent a competing telegraph which it is proposed to carry out, it is absolutely necessary, in order to ensure success, that the colonies which are interested in it should give it financial assistance, reserving to themselves a control over the amount of capital to be expended in establishing the line, and over the proceedings of the company. The least onerous form of financial assistance which the colonies can adopt, and which at the same time will be perfectly effectual in raising the required capital, is to guarantee a certain rate of interest upon the cost of the undertaking. It is proposed, therefore, that a payment of six per cent. per annum be made to the company for 99 years on £700,000, or such less or greater sum not exceeding £800,000 as may be agreed upon with the Queensland Government; the nett receipts of the line to be in reduction or extinction of the guaranteed payment, as the case may be. The guarantee is only to run so long as the company shall maintain telegraphic communication between East Java and the head of Gulf Carpentaria; a reasonable time for effecting repairs being allowed. The guarantee shall not cease for the remainder of the 99 years, but a proportionate sum shall be deducted from the guaranteed payment for the time occupied in repairing the cable beyond the time allowed.

The Government of India guarantees 5 per cent. per annum on the cost of the Indian railways for ninety-nine years.

Should the guarantee be given, the company will also endeavor to lay down a cable of its own, between Calcutta and Singapore, and thence to Batavia, thus securing a second line of telegraph for the whole distance between India and Australia.

I have been offered by the Dutch Government a concession similar to that granted to the British Australian Telegraph Company, securing the transmission of messages to and from Australia, over the Dutch line, through Java, and containing other favorable conditions. I have also advocated a line to Australia, terminating in Queensland.

I have, &c.,

R. GISBORNE.

The Agent-General for Queensland, London.