

I also enclose for your information copy of a letter from the Board of Treasury in reply to the reference which was made on the subject to that Department, and, in conformity with their Lordships' suggestions, I have to instruct you to consult with your Responsible Advisers as to the expediency of Representatives being appointed by the different Governments concerned to meet together and discuss the question in all its bearings.

I have, &c.,

NEWCASTLE.

Governor Sir George Grey, K.C.B.

Enclosures to No. 12.

MR. WALTERS TO HIS GRACE THE DUKE OF NEWCASTLE, K.G.

Office of Agent-General for South Australia,
5, Copthall Court, London, E.C., 24th February, 1863.

MY LORD,—

I have understood that application is likely to be made to Her Majesty's Government to give a guarantee for a Telegraph Cable to be laid down from East Java to Queensland.

In consequence of the recent explorations to the North Coast of the Australian Continent by South Australian explorers, the views of the Government and people of South Australia appear to be already extending themselves across the Continent, as will be better shown by the copy of a letter from the Treasury at Adelaide addressed to me under date 26th December, 1862, which I have now the honour to inclose for your Grace's perusal.

I infer from this despatch that the local Government of South Australia is not prepared to subscribe to any plan to be submitted to Her Majesty's Government through Queensland, if any such should be offered, inasmuch as the expense of communication would be immensely reduced by a simple overland telegraph wire across the Continent to meet a much shorter cable wire at the point most convenient, or contiguous to Java.

Inquiries are already set in movement by the telegraph authorities at Adelaide with reference to iron pillars for supporting the wire *en route*, from which I apprehend they consider that any difficulties which might be supposed to arise from any of the aborigines, if such there be, could be easily overcome.

I thus place the matter so far as it happens to have come to my knowledge under your Grace's view in case it should form an interesting element of consideration.

I may also add, that I do not think Her Majesty's Government of South Australia will allow themselves to be drawn into any unnecessary extravagant expenditure for the benefit of speculators.

If I err in addressing your Grace I have no doubt you will pardon me.

I have, &c.,

G. S. WALTERS.

His Grace the Duke of Newcastle, K.G.

MR. BLYTH TO MR. WALTERS.

Treasury Offices, Adelaide, 26th December, 1862.

SIR,—

I have the pleasure to announce that Mr. John McDouall Stuart has recently returned to Adelaide from his third attempt to reach the Indian Ocean overland, a feat at last happily accomplished at a point a little to the eastward of Cape Hotham in Van Diemen's Gulf.

A copy of his journal and map describing his course of travel to and from the Northern Coast of this Continent are posted to you herewith; and you will be gratified to learn that the northern region passed through by Mr. Stuart is eminently adapted for settlement, and that efforts will be made to secure its addition to South (or more properly Central) Australia.

Under any circumstances, Van Diemen's Gulf will doubtless prove an important outlet for disposing of the surplus Stock of this Province in the Indian and Chinese markets. Perhaps too, the telegraph wire may connect Adelaide with Europe and Asia, at no very distant day, by Mr. Stuart's route.

I have, &c.,

ARTHUR BLYTH,
Treasurer.

G. S. Walters, Esq., S. A. Agent-General, London.

MR. WALTERS TO HIS GRACE THE DUKE OF NEWCASTLE, K.G.

Office of Agent-General for South Australia,
5, Copthall Court, London, 26th February, 1863.

MY LORD,—

I had the honor of addressing your Grace on the 24th instant, on the subject of the scheme for laying down the Telegraph wire to the Australasian Colonies, which I understand is to be propounded to the Treasury.