(APPENDIX.)

Wellington, 9th June, 1865.

I have the honor to acknowledge the receipt of your letter, as per margin (May 26, 1865) on the subject of the Submarine Telegraph between the shores of Cook's Strait. I am instructed to remind you of the fact that, consequent on a resolution of the General Legislature, your attention was drawn to the necessity of giving the Government the necessary information as to the nature of the cable in my letter of December 8, 1864, and that, not having heard from you on the subject, your attention was again directed to the question on the 10th May last. Your letter under reply implies that a survey of the Strait is necessary as a preliminary measure. The Postmaster-General is at a loss to conceive why, if you were of opinion that the Admiralty chart did not give you sufficient data for the formation of an opinion, you did not point it out at the time, instead of allowing so many months to elapse and your attention to be recalled to the point.

Extract of letter from Mr. Sheath to the Honorable the Postmaster-General.

Christchurch, February 26, 1864.

I find it will be necessary for me to take offices in Christchurch, as there is neither room in the

Government Buildings nor in the Post Office of that town.

I have been looking for a suitable place, and a house opposite to the offices of Mr. Travers has been offered me which would serve both as office and store for materials, at an annual rental of £150, subject to six months' notice in case of leaving. The position is central and convenient to the Government Buildings, the Post Office, and the present Telegraph Office.

A staff sufficient to carry on the increasing and necessary business of the department should, I think, be at once appointed: and I should, in the first place, propose the appointment of a General Manager-*

* * * This appointment should bear, I think, a salary of £300 per annum. I can confidently recommend for this appointment an officer that I have tried and proved since the opening of the Telegraph lines in this Province, and one that I am convinced will give every satisfaction. I refer to Mr. Abraham Sheath, residing in Christchurch. The next appointment I shall recommend will be that of a Surveyor, at a salary of from £200 to £250 per annum, with the usual allowances of forage and field expenses. The remaining appointments should be those of two Linemen: for these appointments I recommend H. Smith and E. Green, both at an annual salary of £200, with allowances when on duty.

Extract of letter from the Honorable the Postmaster-General (Mr. Gillies) to Mr. Sheath.

7th, May, 1864.

* * "You are hereby authorised to have the necessary office and store at a rental not exceeding £150 per annum; and to engage Mr. Abraham Sheath, as General Manager, at a salary of £300 per annum, and Messrs. Smith and Green, as Linemen, at £200 per aunum each; also, to engage a competent Surveyor, at a salary not exceeding £250 per annum; these salaries to be exclusive of the usual allowances when engaged in the field. All these appointments must be considered as only provisional until the establishment of the lines, when the service will be placed on a permanent departmental footing."

Copy of letter from the SECRETARY to the General Post Office to Mr. SHEATH.

Auckland, October 27th, 1864.

I am directed to forward for your information the enclosed applications (as set forth below) for

appointments in the Telegraph Department.

These applicants have been informed that it would be premature to make any such appointments at present; and that when they become necessary their applications will be taken into consideration,—for this purpose I have forwarded the letters to you, and having taken a note of them, you will be good enough to return them.

I have, &c.,

G. ELIOTT ELIOTT.

John V. Dalgarno, Electric Telegraph, Sydney. John Quodling do. Dalway Bell do. E. C. Cracknell, Supt. do. do. P. N. Nixon, Post Office, Auckland.

Extract of letter from Mr. Sheath to the Honorable the Postmaster-General.

Christchurch, November 16th, 1864.

I have proposed certain alterations in salaries, and additional appointments for the following reasons:—The salary (£500) of your Telegraphic Engineer is far lower than is usually paid in the neighboring colonies. This is not, however, my sole reason for proposing the alteration—The Electrician who holds a subordinate position is in receipt of the same salary that your Engineer has hitherto been receiving, and I think it advisable some difference in rate should be made. The next alteration I propose, is that