F.—3.

Negotiations.

No. 7.

The Hon. the Colonial Secretary, New South Wales, to the Hon. the Colonial Secretary, New Zealand.

Colonial Secretary's Office, Sydney, 21st October, 1876. SIR,-

I have the honor, at the instance of my colleague the Postmaster-General, to transmit to you, for the information of your Government, the enclosed copies of a letter and telegram received from London from our Superintendent of Electric Telegraphs (Mr. E. C. Cracknell), concerning the duplicating of the telegraphic communication between India and Australia, and the reduction of the existing rates. I have, &c.,

The Hon. the Colonial Secretary, Wellington.

JOHN ROBERTSON.

Enclosure 1 in No. 7.

Mr. C. C. CRACKNELL to the Hon. the POSTMASTER-GENERAL, Sydney.

92, Charlotte Street, Fitzroy Square, London, 23rd August, 1876. Since my arrival in London I have devoted nearly the whole of my time to the important SIR,-

matter of duplicating the present defective telegraphic communication between India and Australia,

also the reduction of the existing rates.

In the first place I have satisfied myself as to the electrical condition of the present Java and Port Darwin cable, and find from the last tests it is not probable that any prolonged interruption will occur again for some time, except perhaps from accidental breakage in shallow water, which in future will be immediately repaired. This being the case, I consider it quite unnecessary at present to expend a large sum annually for a second cable over this section; but strongly recommend the immediate duplication of the line from Singapore to Banjoewangie, for the following reasons:—It will replace a very defective section between Singapore and Batavia, and will get rid of the delays and serious errors through the husiness having to be repeated over the Java land lines, which are worked by Dutch through the business having to be repeated over the Java land lines, which are worked by Dutch operators.

If these suggestions be carried out, there will be a duplicated line the whole way from London to Banjoewangie, a new cable being almost completed for Penang and Rangoon, and duplicate cables

are being shipped for the Red Sea and Bombay sections.

The subsidy required will also be very small (the sum I will telegraph you before you receive this), so that the £20,000 already required by the Eastern Extension Company for the reduction of the rates

can also be provided without being seriously felt.

Should it be found after the next few years that the Port Darwin cable gives trouble, which I do not anticipate, I would then recommend that a submarine line be carried from North-West Cape, Western Australia, to Banjoewangie. This cable would be less than 900 miles in length, and would cost very little to subsidize; but it is useless thinking of this as an alternative route at present, as the land lines along the Great Australian Bight are not ready, nor will they be for many months.

It would be very interesting to know how Mr. Audley Coote intends sending messages of ten words for £3 from Sydney, when the present charge is £3 2s. 6d. from London to Singapore; and it is

by no means clear how he intends connecting Singapore with the Indian lines. I am informed land

lines are quite out of the question.

It is not improbable that the Imperial Government will assist in the subsidies for a new cable from Singapore to Java and the reduction in the telegraphic charges to the colonies, and I intend before leaving London to see some of the members of the Colonial Society, and move them to wait on Lord Carnarvon, who, I believe, would entertain such a proposal.

I have, &c., E. C. CRACKNELL.

Enclosure 2 in No. 7.

TELEGRAM from C. E. CRACKNELL, Superintendent of Telegraphs, dated London, received at Sydney at 3.45 on the 11th October, 1876.

EXTENSION Company submit following terms for duplicating our cables:—Singapore to Banjoewangie, Twenty-one thousand seven hundred and eighty pounds per annum; Banjoewangie to North-West Cape, twenty-three thousand two hundred and twenty pounds, including three per cent. for renewal funds. Any reduction in interest for raising money through Government subsidy will be credited to colonies concerned. Interest on the accumulation for renewal funds to go towards reduction of amount for replacing cables. If new cable not required in twenty-two years renewal fund will cease, and interest will go towards reduction of subsidy, as cables have been shipped to duplicate lines as far as Penang. I recommend that the cable from Singapore to Banjoewangie be arranged for at once, which will cost the colonies fourteen thousand five hundred and twenty pounds for interest, and seven thousand two hundred and sixty pounds for renewal per annum, which is the cheapest way out of the difficulty. Banjoewangie to North-West Cape to follow, if necessary. Do you wish me to remain after October mail? Please instruct by return steamer from Penang, as mail leaves Southampton on nineteenth.

No. 8.

Mr. AUDLEY COOTE to the Hon. the COLONIAL SECRETARY, New Zealand. Re Duplicate Cable to London.

Hobart Town, 23rd October, 1876. I have the honor to refer to a telegram in the local newspapers, in which it states,—"It is rumoured that the New South Wales Government have received by the mail a communica-