

In the ordinary course of negotiations of this kind I should not have taken the liberty of referring *Negotiations.* to this letter or telegram from Mr. Cracknell, but in the letter he has been pleased to mention my name, so, with your permission, I will explain the difference between the offer of the Eastern Extension Company and that of my principals, who are, as you are aware, the Messrs. Siemens Brothers, and the Anglo-Australian Telegraph Company.

First, the Eastern Extension Company offer to lay a short piece of cable that will be of the greatest benefit to themselves to have subsidized, but of very little benefit, "comparatively speaking," to the Australian Colonies; and this Mr. Cracknell suggests should be done for a yearly subsidy of £21,780, together with £20,000 a year for reduction of rates, which is tantamount to £41,780 a year, and which, if adopted, will entirely shut out Queensland and all her good lines. Mr. Cracknell has also been pleased to say that "it is by no means clear how Mr. Coote intends connecting Singapore with the Indian lines, &c." May I again assure you that the Company I represent have all their connections quite complete with their already extensive system, thus making a complete duplicate line, and so, if possible, break a growing monopoly?

I am also instructed to say that it is still the opinion of some of the most experienced men in England that it would be far the best for the colonies to have a cable starting from Normanton in Queensland, or Geraldton in Western Australia, and terminating at either Singapore, Rangoon, or False Point in India—in any case to have a complete duplicate line; and whether Queensland or Western Australia be selected as the starting point, the subsidies would be nearly the same—viz., from about £40,000 for the shortest, and from £50,000 to £60,000 for the longest route; and in all the offers I have had the honor to make for this undertaking, it has always been understood that a complete duplicate system should be guaranteed, and it now appears that these amounts are but little over what Mr. Cracknell suggests should be given to subsidize a short extension of the present interrupted cables. And again, with reference to the last paragraph of his letter, he states that "it was not improbable that the British Government will assist in the subsidies for a new cable to Singapore and Java, and the reduction of the telegraph charges to the colonies."

In answer to this, I venture to say that it would be the proper course to pursue, but having previously made myself certain on this point, I now feel absolutely sure that the British Government will never raise or contribute any money towards its being carried out.

But should the Australian Governments prefer it, permit me most respectfully to say that the most economical plan of the Governments interested would be to raise themselves the money for the construction of the cable, so as to acquire the cable as their joint property; and in order to guard them against the inconvenience and trouble in the working and maintaining of a cable, I am instructed to say that my principals are prepared to work and maintain it on behalf of the Governments interested.

I have, &c.

AUDLEY COOTE.

The Hon. the Postmaster-General, Wellington.

No. 11.

Mr. HENRY AYERS to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Chief Secretary's Office, Adelaide, 14th November, 1876.

Referring to previous despatches on the subject of a duplication of the Anglo-Australian telegraph cable, I have now the honor to forward printed copy of the latest correspondence connected therewith, and to call your special attention to the reply of His Excellency Governor Musgrave to the despatches of the Right Hon. the Secretary of State of June 2nd and July 7th respectively.

This Government are of opinion that the time has arrived when the whole question should receive consideration in conference of representatives of the several Governments interested, and will be glad to learn that you concur in the view that a meeting with that object should be held at as early a date as practicable.

I have, &c.,

The Hon. the Colonial Secretary, New Zealand.

HENRY AYERS.

No. 12.

Mr. J. PENDER to the Hon. the COLONIAL SECRETARY, New Zealand.

The Eastern Extension Australasia and China Telegraph Company (Limited),
66, Old Broad Street, London, E.C., 10th October, 1876.

SIR,—

I have the honor to inform you that, in consequence of the discussion which has recently taken place in Australia with reference to the duplication of the telegraph cable to that continent, I invited, on the 4th instant, a Conference of the Agents-General of the several Australasian Colonies for the purpose of communicating and explaining through them to their respective Governments the terms upon which such a duplication can be effected.

I now beg to transmit to you herewith a memorandum which was laid before them, and a copy of which was handed to the Agent-General of your Government, which will doubtless be forwarded to you in due course.

It would greatly tend to the speedy and final settlement of the matter if a Conference of the various Agents-General, armed with full powers from their respective Governments, were to assemble in London.

I should be glad if you would issue the necessary instructions.

I have, &c.,

JOHN PENDER,

Chairman.

The Hon. the Colonial Secretary, New Zealand.