

Extension Company, and with Colonel Glover, R.E., the Managing Director, I have had interviews, and The Conference. I am in a position to say that a scheme in every way beneficial to Western Australia will in the course of a few days be submitted by the Company. That scheme is roughly as follows:—To lay one cable from Singapore to Banjoewangie, and a second from thence to the North-West Cape in Western Australia. These cables to be worked by the present staff of the Company, and with no foreign interference in the transmission of messages. The cost of these cables is estimated at £400,000, and the Company argue with some reason that, as the business transacted by the cables now in operation is not sufficient to keep the staff at work more than two hours a day, and does not pay, it is only reasonable that if the Australian Colonies insist on the luxury of a second cable they should contribute towards the cost of it. It is therefore proposed that the interest on £400,000 to be raised in England should be guaranteed by the Australian Colonies, with such addition as may be needed for a sinking fund for (say) a period of fifteen years. The Company could not raise this money in England (so they say) on their own responsibility under 6 per cent., but I pointed out that if the colonies are asked to guarantee the interest, that guarantee would insure the raising the money at 4 per cent. Assume that £30,000 per annum be required, such sum divided among the several colonies in proportion to their population would be no heavy burden on any colony, and would certainly fall lightly on Western Australia. The Company contemplate that the cables could be ready for work at the expiration of one year from the date on which a contract was signed." I have read that letter with the object of asking you whether the Company have accepted the proposition. I want to learn if possible whether this proposal has been put in definite form?—I think not. Colonel Glover told me he had seen Mr. Barlee, but I think nothing came of it, except the proposition which the Company had already made to lay down a cable for £540,000.

100. This letter is dated 31st August, 1876?—Yes, but since then there has been Mr. Pender's memorandum on the subject.

101. But nothing further on these two points?—Nothing.

102. *Mr. Ward.*] Do you know anything personally of the working of the cable to Singapore?—No?

Captain AUDLEY COOTE, representative of Messrs. Siemens Brothers and of the Indo-Australian Telegraph Company, called in and examined:—

103. *Mr. Mein.*] I believe, Captain Coote, you are the representative of a Company interested in the establishment of telegraphic communication between Europe and the colonies?—Yes, the Indo-Australian Telegraph Company.

104. Have you directed your attention to duplicate telegraph communication between Singapore and the colonies?—I have.

105. Have you considered the practicability of the different routes?—Yes.

106. What direction have your inquiries taken?—Chiefly from the shores of Queensland to Singapore.

107. In what way?—In interesting myself in the soundings, and in having always thought it to be the best route to take for a duplicate cable to connect Australia with Europe, provided it did not go up as far as Celebes.

108. Have the seas there been sufficiently explored to enable you to say authoritatively whether a line constructed there would be practicable?—Yes.

109. In what direction?—Keeping south of Timor, starting from a point in Queensland, either Normanton or Cape York, touching at Timor, and going through this passage [*indicating localities on map*], known as the Strait of Lomboek to Singapore, between the Island of Borneo and Bilton Island. Captain Nares, of H.M.S. "Challenger," informed me that the line shown on the map as a dotted line would pass over an exceedingly deep and uneven bottom, caused by the waters falling into a deep gutter, and it is chiefly on that account I have suggested that the route south of Timor should be adopted.

110. *The Chairman.*] Supposing a line were taken from Port Darwin, it might go south of Timor?—Yes.

111. Therefore, the same line might be taken from Port Darwin that you would take from Normanton?—Just the same.

112. And what difference would there be in the length and value of the cable?—About 700 miles. A line starting from Cape York would be about 550 miles longer than from Port Darwin.

113. But what I want to find out is whether, for the purpose of laying down a line, there is anything in favour of Normanton, in Queensland, as against Port Darwin?—Yes, there would be this advantage: we should keep away from a well-known coral bank and a well-known current, both of which would be injurious to the cable, and great care would have to be taken to keep to the north of that current in touching at Timor.

114. *Mr. Mein.*] That current is likely to act injuriously to the cable?—Yes.

115. *Mr. Griffith.*] And you get a better route by Banjoewangie or Sourabaya, south of Timor?—Yes, we keep clear of the well-known coral bank and two well-known currents.

116. *Mr. Mein.*] Would the northern routes be quite out of those currents?—Yes.

117. What authority have you from your Company—have you authority to enter into new contracts?—Yes.

118. Subject to their approval?—I have authority to make a binding contract.

119. *Mr. Griffith.*] Was that letter to Mr. Robertson written in accordance with the instructions of your Company?—Yes.

120. And the terms therein specified are the terms for which they are willing to do the work indicated in it?—Yes.

121. Would it make any difference whether the cable touched at Banjoewangie or Sourabaya?—None.