

tried the India-rubber and Gutta Percha Company, of Cannon Street, and soon found that they were not in much of a position to take up such an extensive matter, and, if they had been able, they objected to the limit of £12,000 a year for working expenses.

Correspondence
respecting Mr.
Audley Coote's
Evidence.

It was then decided amongst us that our commissions were useless, and there was an end of the matter.

You had power from your Parliament to negotiate for a cable between New Zealand and some part of Australia; and when you suggested that New South Wales should join in the undertaking, I immediately telegraphed for special powers to do so, and the power sought was given to me. I did not act in any way under my first commission, nor was I bound by any instructions, except that I was not to commit the Sydney Government without first consulting them by wire.

During the first negotiations, I felt troubled that we were tied to Messrs. Siemens Brothers, and that Mr. Daintree was forbidden to have anything to do with the Eastern Extension Company. I felt this latter Company was the one to offer the best terms both for duplicating the lines to Europe and for connecting Australia with New Zealand; and as I was aware that any cable laid by that Company would be made by the Telegraph Construction and Maintenance Company, I thought that that was the best Company for us to go to.

I never expected to make a contract for less than £20,000 a year, and when the terms were named as £7,500, and New South Wales to pay only £2,500 a year, I felt, if the contract could only be concluded, it would be a splendid bargain. It was concluded, and every one now knows that it is a splendid bargain, and that the cable so far has never failed.

If Messrs. Siemens Brothers or any one else had been allowed to interfere with the negotiations with the Eastern Extension Company, the whole affair would have been upset, or if we had gone first to Siemens Brothers, and having failed with them gone to the Eastern Extension Company, the matter would have fallen through, or we should have had to pay £18,000 to £20,000 a year instead of £7,500. Instead of blame, I think you and I deserve great credit for the way we stuck to our work, and carried through a most difficult and trying negotiation.

Messrs. Siemens Brothers may deny receiving a joint letter of 21st May, 1875 (No. 18), but I not only recollect the letter, I also recollect directing that it be delivered by hand, and was afterwards told that it had been so delivered, so any miscarriage must have been in Messrs. Siemens Brothers' own office.

Captain Coote in his evidence (answer 182), was in no position to answer from his personal knowledge, as he was in Sydney when the negotiations were going on. He told me himself that he saw my telegram giving the terms and sum of £7,500, and could not believe it. I was requested to repeat my telegram, and I did so by adding New Zealand £5,000, New South Wales £2,500, per annum. See p. 27.

Coote's answer to question 188 is also quite wrong. I give the true answer in my statement. See p. 28.

I regarded Messrs. Siemens' letter of 12th May, 1875, as a "try-on," and we could give no other answer than the one we did. Anything they could have said or written at that time would have had no effect on you or on me; and if we had neglected the work we had then in hand, we should have failed in our duty to the colonies we represented. It is childish to accuse you of suppressing a letter or statement which could be of no possible importance in any way.

Whilst you were drinking the waters in Germany, I saw Captain Coote in London two or three times, and from what he then said, I am certain that the minimum amount that Messrs. Siemens Brothers would have asked for the New Zealand cable would have been £17,500 a year.

At none of the interviews I had in London with Captain Coote, nor when I saw him in Sydney last year, nor in a long letter I afterwards received from him whilst he was in Tasmania, did he allude to a grievance either he or Messrs. Siemens Brothers had against you or me separately or jointly. Had he complained, I should have proved the delivery of the letter of 21st May, 1875, to Messrs. Siemens Brothers; and I should have proved how the negotiations with those gentlemen failed.

I have written more than I intended, but I feel that you did your duty well and honorably in this matter; and, if the truth be spoken, you deserve no discredit but great praise for the successful termination of the business, at a time when few men, suffering as you did, could have worked at all.

You can make what use you like of this.

I have, &c.,

DANIEL COOPER.

Enclosure 2 in No. 2.

EXTRACTS from PARLIAMENTARY PAPER F. 6A, 1875.

3. When I arrived in England I confined myself to negotiating in concert with Sir Daniel Cooper, the representative of New South Wales, and Mr. Daintree, the Agent-General for Queensland. We had several interviews and some correspondence with Messrs. Siemens Brothers, until at length it appeared that those gentlemen were unable to carry out the provisional agreement made in Sydney.

4. Meanwhile, several applications were made to me to arrange for a New Zealand cable. The various telegraph construction companies were very short of work, and were anxious for the business of constructing a cable; and their friends, representatives, and agents persistently endeavoured to initiate an arrangement for that purpose. Up to the time of the failure of the negotiations with Messrs. Siemens Brothers I declined to enter into any other negotiations. When that failure was recognized by the gentlemen who were jointly working with me, I felt myself at liberty to act independently. I very anxiously considered whether I should attempt to arrange by private negotiation or should invite tenders.

5. I found that the Eastern Extension Telegraph Company (Limited) much desired to enter into an agreement for the work; and that their desire proceeded not so much from anticipations of the direct pecuniary results of laying a cable to New Zealand, as from anxiety to forestall opposition to their Indo-Australian system. I saw that the Company believed that whoever laid the cable to New