

QUEENSLAND.

PROPOSED SUBMARINE AND LAND TELEGRAPH BETWEEN
SINGAPORE AND THE AUSTRALIAN COLONIES.

(FURTHER CORRESPONDENCE RESPECTING)

Presented to both Houses of Parliament by Command of His Excellency the Governor.

C. W. EARLE, ESQUIRE, to JOHN DOUGLAS, ESQUIRE.

British Australian Telegraph Company (Limited),
66, Old Broad street, London, E.C.,
15th August, 1870.

DEAR SIR,

I have to acknowledge the receipt of your letter of the 11th instant, addressed to Viscount Monck, who is at present absent from town. With regard to your not having received an acknowledgment of your letter to the Secretary of the 28th July, I can only express my regret that the Secretary, in my absence, did not send you a formal acknowledgment. He accounts for the omission by saying that, immediately after the receipt of the letter, he had an interview with you on the subject, which, in his opinion, rendered no further reply necessary. I can only repeat my regret at the omission.

With reference to your remark that the directors did not appear to consider the offer you made in that letter of sufficient importance to bring the matter under the notice of the shareholders, I beg to say that the omission to allude to that offer in the opening speech of the Chairman was not intentional, for the circumstances were detailed on the memorandum I put into Lord Monck's hands, for his guidance in addressing the meeting. As, however, the offer you made had been declined, it is not improbable that Lord Monck had, to some extent, dismissed the matter from his mind as being a decided question, and, therefore, not one for the consideration of the meeting then sitting. Lord Monck's apology for not introducing the subject, and his full explanation of it when reminded of it by you, must, I think, acquit him of any intended want of attention to the proposal you had made.

I am sure the Board will regret to hear the decision, that Queensland has come to, to reject the liberal offer that South Australia has made of allowing her to connect the system with the line to be erected between Port Darwin and Port Augusta.

The Board will regret the decision, not only because it deprives the Company of an alternate route for their cable messages, but because, whether another cable is laid or not, unless it be one between Normanton and Port Darwin, the cost of telegraphic communication to a large portion of the continent will be much increased.

You may be assured that this Company is extremely anxious to secure alternative routes from its terminal station in Australia, and will do all in its power to work cordially with Queensland in the matter, as long as the views of that Colony do not tend to a scheme which may have the effect of establishing a competition to the cable the Company intends to lay between Java and Port Darwin.

I have, &c.,
C. W. EARLE,
Managing Director.

J. Douglas, Esquire, Agent-General for Queensland.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Queensland Government Offices,
Charing Cross, London, 2nd September, 1870.

SIR,

I have to acknowledge the receipt of your letters of the 8th and 11th June, No. 146 and No. 155, in reference to negotiations with the British and Australian Telegraph Company.

In my last letter on this subject, No. 51, of the 11th August, I informed you that I had attended an extraordinary general meeting of the shareholders, and I supplied you with a copy of a letter which I had addressed to the Chairman.

I now beg to enclose copy of reply received from Mr. Earle, the managing director. I have also been verbally informed by Lord Monck and Mr. Earle that, before finally closing with South Australia, further guarantees will be required that the overland line will be completed at the time specified—namely, before the 1st of January, 1872; and that, pending the result of these negotiations, the Company cannot either entertain any propositions made by me on the part of the Colony of Queensland, nor can they make any counter proposition for submission to you.

The guarantee required will consist of an Act of Parliament passed by the Legislature of South Australia, submitting to a penalty of £70 a day for every day over and above the time at which it is stipulated that the line shall be in working order. And I understand that, in the event of this condition being accepted, the Company will hold themselves entirely at the service of South Australia. The tenor of your instructions contained in your telegram from Galle, of the 18th July, would probably justify me under these circumstances in endeavoring to induce some other company to undertake the laying of a cable from Carpentaria, but the present state of the money market, together with the extremely depressed condition of telegraph shares (the British Australian £5 paid up shares being quoted at $4\frac{1}{2}$ discount), renders it quite out of the question to make any such attempt at the present time.

I have, however, requested an eminent firm of cable makers to supply me with an estimate of the cost of making and laying a cable from Kopang to Carpentaria, and in the event of the Government of Queensland, acting in conjunction with New South Wales, determining to undertake such a work, I believe it would be much better to buy a cable than to offer a guarantee to a rival company.

I may add, that in communicating to Mr. Earle the contents of your telegram of the 18th July, offering a guarantee of five per cent. on the cable from Kopang to Carpentaria, I was informed by him that the Company had abandoned their intention of going to Kopang, and that they would lay their cable direct from Java to Port Darwin. It must now, therefore, be apparent, that in the event of a second cable being laid, that cable must be laid over the whole distance from Java to Carpentaria, and I would respectfully submit, that in the meantime, it would be preferable to make some arrangement with South Australia, in virtue of which the alternative could be avoided.

I shall endeavor, however, to ascertain if the Dutch Government will be prepared to co-operate with the Government of Queensland, in the event of its being considered necessary to secure a second Australian cable.

I await with interest your detailed instructions supplementary to your telegram.

The war in France renders the Marseilles route subject to such interruption that I may not be able to reply by return of post, and on the present occasion I write by the Southampton mail, previous to the arrival of the Marseilles mail, due in London on the 5th.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Queensland Government Offices,
Charing Cross, London, 7th September, 1870.

SIR,

I have to acknowledge your letter of the 11th July, instructing me to make no terms with the British and Australian Telegraph Company which involved a connection with their line on South Australian territory.

I have already informed you of the result of my negotiations with the Company, and on the 3rd instant I addressed a telegram to you embodying a demand which is now made by the British Australian Company, in the event of the South Australian Government being behind-hand in their contract to complete the line by the end of 1871. This was accompanied by a recommendation to arrange terms with South Australia, with a view to being Port Darwin into telegraphic connection with Normanton, and I have ventured to do so, because there is no prospect, at present, of any company undertaking to lay a cable on terms which you would be likely to accept.

The present state of affairs has very seriously affected telegraph shares, and it would be quite useless to attempt to induce English capitalists to subscribe money, for such a purpose, at reasonable rates.

I have, however, requested Mr. Gray, the Manager of the India-rubber and Gutta-percha Company, at Silvertown, to furnish me with an estimate of the probable cost of such a cable as would be suitable, at per nautical mile, and I now beg to enclose copy of a letter which he has addressed to me on this subject. I also send by same post, a sample of the cable to which he refers.

I may remark that there is now some considerable competition in the manufacture of cables, and that there is a tendency towards a reduction in prices.

If it should eventually be considered desirable to make any purchases of this commodity, I think it probable that better terms, even than those named by Mr. Gray, might be obtained; and I have no hesitation in expressing an opinion that, when it is not possible to secure the laying of a cable without a guarantee, it is really preferable to dispense with the intervention of a company altogether.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.

2nd September, 1870.

SIR,

As requested, I have now the pleasure to forward you a sample of Submarine Telegraph cable.

This description of cable is held in high estimation by the Telegraph engineers of this country, and we have no doubt will prove very suitable for laying from the head of the Gulf of Carpentaria to Java.

As the route that may be determined on is uncertain, I have thought the better way would be to give you our price per nautical mile, including the expense for laying for any length not less than 500 miles. You can thus estimate the cost of any length of line by measuring it on a chart, and adding say 12½ per cent. for slack. At each of the landings you will require on the average two miles of shore end and four miles of intermediate.

The following would be the cost of the cables laid, say—

Deep Sea Cable	£190 per knot.
Intermediate	£300 " "
Shore End	£810 " "

Payments for same to be made as follows:—

One-fifth when the contract is signed.

One-fifth when one-third of the cable is made and certified by your engineers.

One-fifth when two-thirds are made.

One-fifth when the cable is all made and shipped.

And the remaining fifth when the cable has been successfully laid. You to get us the necessary permission for landing the ends.

The above prices are for making and laying a cable similar to the sample herewith, which is suitable for any length up to 500 miles. If a length is wanted exceeding 500 miles without a landing, then it will require a greater weight of copper and gutta-percha per knot, which would add £10 per knot to the above prices for every 200 miles you add to the 500 miles, thus:—

A length up to 500 miles would be	£190 per knot.
From 500 to 700 " "	£200 " "
From 700 to 900 " "	£210 " "

And so on.

I have, &c.,

MATTHEW GRAY,

General Manager.

J. Douglas, Esquire, Agent-General for Queensland.

JOHN DOUGLAS, ESQUIRE, to HIS EXCELLENCY THE MINISTER FOR THE COLONIES.

Hotel De Belle Vue,

The Hague, 22nd September, 1870.

SIR,

Referring to the interview with which I was favored this morning, your Excellency was good enough to inform me that a concession had been granted to the British Australian Company who have undertaken to establish telegraphic communication between Singapore, Java, and Australia.

I should wish now to point out that my object in calling on your Excellency was to direct the attention of the Netherlands Government to some important modifications on the original scheme of the Company which have now been adopted. A new route from Port Darwin in Northern Australia to Port Augusta in South Australia has been substituted for that originally proposed from Port Darwin to Barkettown in Queensland. I am also informed by Mr. Earle, the Managing Director of the Company, that the intention to land the cable at Kopang has been abandoned.

Under these circumstances, I have considered it necessary to institute inquiries in reference to the concessions which have been granted by the Netherlands Government to the Company, and to ascertain whether the same or any additional facilities would be afforded in favor of a similar undertaking under different auspices.

The deviation which has now been adopted has so seriously affected what are considered to be the interests of the colony of Queensland, that I have received instructions to secure the establishment of an independent route by laying a cable from some point at the head of the Gulf of Carpentaria to Kopang and Java.

I explained to your Excellency that, while making these representations, I was by no means desirous to do anything which might unnecessarily raise any difficulty in the accomplishment of such an undertaking as that now in the hands of a company, so substantial and influential as the British Australian; but I have felt it to be my duty, in accordance with instructions from the Government of Queensland, to ascertain the nature of the concessions which had been made, and the terms which would probably be granted in the event of any one or more of the Australian Colonies considering it necessary to secure additional and independent telegraphic communication through the Islands of Netherlands India.

I have, &c.,

JOHN DOUGLAS,

His Excellency the Minister for the Colonies.

TELEGRAM.

British Australian Company decline to take cable to Normanton on guaranteed interest in present state of money market. No company will undertake it. Company have not finally closed with South Australia; and Act of Parliament is demanded guaranteeing the completion of land line to Port Darwin before January, eighteen hundred and seventy-two, subject to penalty of twenty pounds per day. Would recommend combined action with South Australia to secure speedy connection between Port Darwin and Normanton.

JOHN DOUGLAS, ESQUIRE, to THE HONORABLE THE COLONIAL SECRETARY, BRISBANE.

Queensland Government Office,
Charing Cross, London, 30th September, 1870.

Sir,

In my letter of the 2nd September, No. 60, I informed you that I would endeavor to ascertain if the Dutch Government were likely to be willing to co-operate with the Government of Queensland in laying a telegraph cable from Java to Australia.

With this object in view, I have lately visited the Hague, and by the kind assistance of the British Ambassador, I obtained an interview with Monsieur de Waul, the Minister for the Colonies.

I explained at length the present position of affairs as regards the British Australian Company, and the differences of opinion which appear to render it impossible for the Government of Queensland and South Australia to co-operate in this undertaking, and in reply, the Minister was good enough to authorize me to address a letter to him, which he stated he would reply to by forwarding to me a copy of the concession which has been given by the Netherlands Government in favor of the British and Australian Company.

His Excellency further, in the course of a general conversation, informed me that, while most anxious to offer all reasonable facilities for telegraphic or steam communication between Java and Australia, he was not prepared to recommend the granting of subventions which would render it necessary to apply to the Netherlands Chambers for authority to make appropriations for such purposes.

I now enclose a copy of my letter to Monsieur de Waul, together with an attested translation of the Dutch concession granted to the British and Australian Company.

I have, &c.,

JOHN DOUGLAS.

The Honorable the Colonial Secretary, Brisbane.