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SESSION II.

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T A S M A N I A.

LEGISLATIVE COUNCIL.

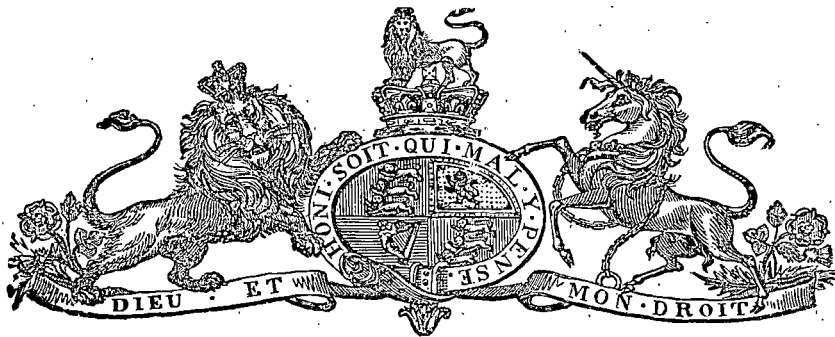
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SUBMARINE TELEGRAPH BETWEEN  
TASMANIA AND VICTORIA.

CORRESPONDENCE IN REFERENCE TO ITS RE-ESTABLISHMENT.

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Laid upon the Table by Mr. Whyte, and ordered by the Council to be printed,  
November 21, 1866.



*Colonial Secretary's Office, Tasmania, 8th November, 1866.*

SIR,

I HAVE the honor to request that you would have the goodness to let me have a copy of Mr. M'Gowan's letter to you, of the 20th August last, upon the subject of the Submarine Telegraph Cable between Victoria and Tasmania.

I have, &c.,

(Signed) JAMES WHYTE.

*The Honorable the Chief Secretary, Victoria.*

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*Chief Secretary's Office, Melbourne, 15th November, 1866.*

SIR,

IN compliance with the request preferred in the Honorable Mr. Whyte's letter of the 8th instant, I transmit to you the accompanying copy of a Report from the General Superintendent of the Victorian Electric Telegraph on the subject of a Submarine Cable between this Colony and Tasmania.

I have the honor to be,  
Sir,

Your most obedient Servant,

J. MOORE.

*The Honorable ROBERT BYRON MILLER,  
Care of J. Wilberforce Stephen, Esq.  
11, Temple Court.*

(Copy.)

*Electric Telegraph Department, General Superintendent's Office,  
Melbourne, 20th June, 1866.*

SIR,

ADVERTING to the letter of the Honorable the Colonial Secretary of Tasmania, dated 12th instant, submitting a proposition for re-establishing Telegraphic Communication across Bass's Straits, referred to me for Report, I have the honor to state that, considering the large amount of risk at present usually attending the permanence of Submarine Cables in all parts of the world, and in view of the very imperfect appliances available here for maintaining and repairing a work of this description, to which latter cause the failure of the former Bass's Straits Cable may be principally traced, I am of opinion that the principle of guarantee, as indicated by the letter now under report, might safely be adopted in preference to carrying out the work directly under the responsibility of Government.

Such has hitherto been the practice in England; and although in some instances the result has been unfavourable (as in the case of the Red Sea and India Telegraph Company), still there can be little if any doubt that, under properly stipulated conditions, the principle is essentially a correct one. In the present case, I am of opinion that the proper course for adoption would be as follows:—

1. The Governments of Tasmania and Victoria having decided to guarantee a stated amount of interest (say six per cent.) on an expenditure not exceeding £60,000, necessary for establishing Telegraphic Communication by Submarine Cable between the terminals of the land lines in Victoria on the north shore of Bass's Straits (at or near Cape Otway, Queenscliff, or at Cape Schank) and the terminals of the land lines in Tasmania on the south side of Bass's Straits (at George Town or at Circular Head, as might be arranged), a notice inviting tenders for the service from responsible persons should be published in London, the notice having reference to certain stated conditions,

copies of which should be obtainable on application to some person duly authorised in that behalf, who should also be in a position to supply all details of information required as to the locality, nature of the service required, &c.

2. The Conditions should state primarily that the guarantee would hold good only while the communication remained perfect and uninterrupted; that, in the event of a cessation of communication for a stated period (say thirty days), the guarantee should cease until the Line might have been again placed in proper working order.

3. That should an interruption extend beyond a stated time, (say six months), the responsibility of the Government in respect to the guarantee should entirely cease and determine.

4. The Contractor to be bound to provide a Cable of the very best description, capable of transmitting Telegrams by means of ordinary Voltaic currents at an average speed of not less than twenty-five words per minute throughout its entire length, say two hundred and fifty miles.

5. The Contractors to be allowed the option of submerging the Cable between any two of the points named on either side of Bass's Straits; but preference to be given to landing points nearest to Port Phillip Heads in Victoria, and to the Tamar Heads in Tasmania.

6. The Contractors, at their own cost, to provide not less than two efficient Telegraphists at each terminal of the Cable, with the requisite appliances for the purpose of working the communication; also to provide steam power, officers, and workmen necessary for efficiently maintaining the Cable at all times.

7. The instruments employed to be uniform with those now in use on the Lines in Victoria; viz.—Morse's Electro-Magnetic Recording Telegraph, worked by Voltaic electricity.

8. The right of determining the rate of charges for the Telegrams transmitted through the Cable to be vested in the Governments of Tasmania and Victoria.

9. The maximum rate of interest accruing to the Contractors to be limited to            per cent. inclusive of the six per cent. Government guarantee; any per-centage of profit realised above the limit stated to be understood as forming a rateable reduction on the amount of the guaranteed per-centage.

10. All accounts as between the Governments and the Contractors to be adjusted at stated quarterly or monthly periods as may be found most convenient.

11. The right of assuming absolute possession and control of the Cable and appurtenances at any time, on grounds of public utility or for other reasons, on payment of all expenditure for principal and interest found to be justly due to the Contractors, to be reserved to the respective Governments jointly or individually concerned.

12. The Regulations and Conditions under which Telegrams are authorised to be transmitted, already in force in Tasmania and Victoria, shall be equally applicable to all Telegrams transmitted through the Cable.

The Conditions above set forth are merely suggestive, and might, perhaps, in practice be capable of modification or alteration in several particulars; but, on the whole, I do not consider that much, if any, change would be necessary.

Details in respect to the mode of conducting the working of the offices at each terminal of the Cable could be more conveniently arranged after the preliminary negotiations connected with the initiation of the work might have been completed.

I have, &c.,

(Signed) S. W. M'GOWAN,  
General Superintendent of Electric Telegraph.

*The Honorable the Chief Secretary.*

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Melbourne, 13th November, 1866.

SIR,

To prevent any misconception of the proposals which, on the part of the Government of Tasmania, I have had the honor to submit to the Government of Victoria on the subject of re-establishing Telegraphic Communication between Victoria and Tasmania, I now beg leave to reduce them to writing, and to hope that you will lay them before your Colleagues at a sufficiently early date to enable me to convey the definite reply of your Government to my Colleagues on my return to Tasmania, which will take place on Friday next.

The Government of Tasmania propose that Captain Gilmore, or some other qualified agent, should, on behalf of the two Colonies of Victoria and Tasmania, endeavour to arrange with some Company or individual for the construction and maintenance of an Electric Cable between Cape Schank and some portion of the Northern Coast of Tasmania, such Cable to be constructed and maintained at the cost of the contracting Company or individual, upon a guarantee from the two Governments of a profit of 6 per cent. upon the actual outlay, provided that such outlay does not exceed £70,000, commencing from the time at which the Cable shall be certified to be in working order, and continuing for a term of 20 years over such periods as it shall be in perfect condition and particularly available for communication between the Colonies at a scale of charges not exceeding a given maximum rate.

Looking at the amounts obtained for the use of the former Cable during the short time in which it was in existence, and the fact that at that period Telegraphic Communication on the Australian Continent was comparatively limited, the Government of Tasmania are satisfied that now the profits of the Contractors would be so large as to render the guarantee of the Governments merely nominal. But assuming that this expectation should not be satisfied, and that some annual payment would have to be made, the Government of Tasmania believe that, as a measure of defence, the means of communicating a knowledge of intended hostilities from Colony to Colony, and thence to a British Squadron, would more than compensate the Colony of Victoria for any amounts which she would be likely to be called upon to expend; whilst, considering that a large portion of the trade of Tasmania, to the extent I think of a quarter of a million per annum, is carried on with Victoria, no small commercial benefit would also be conferred upon her mercantile class by affording to them the facilities of Telegraphic communication. Under the circumstances I am inclined to hope that your Government may be induced to co-operate with that of Tasmania in the proposed guarantee. Should, however, your Government decline to accept any pecuniary responsibility, I presume that you will at least grant to Tasmania all reasonable facilities for carrying out the proposed work; and for this purpose that you will permit the Victorian shore end of any Cable to be connected with the wire at the Cape Schank Station, and allow messages to be conveyed along the Victorian Lines at the ordinary charge.

I do not feel it necessary to ask for any assistance to the proposed Contractors in laying the Cable, being fully aware that the good-will and courtesy which has hitherto been maintained between the Colonies will prompt the Government of Victoria to grant, unsolicited, more than could be required.

I have, &c.,  
(Signed) ROBERT BYRON MILLER.

*The Hon. the Chief Secretary, Melbourne.*

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*Chief Secretary's Office, Melbourne, 15th November, 1866.*

SIR,

I HAVE the honor to acknowledge the receipt of your Letter of the 13th instant, submitting the views of the Tasmanian Government on the subject of a Submarine Cable for the transmission of Telegrams between Tasmania and Victoria.

It is evident that the advantages of Telegraphic Communication between the Colonies indicated rest mainly with Tasmania.

To this Government it does not appear that the advantages which Victoria would derive are such as to justify it in joining in any guarantee to persons willing to undertake the proposed work.

I need, however, scarcely assure you that this Government will gladly afford all reasonable facilities for carrying out the work in the event of its being undertaken under the auspices of the Government of Tasmania.

I have the honor to be,  
Sir,

Your most obedient Servant,  
JAMES M'CULLOCH.

*The Hon. ROBERT BYRON MILLER.*

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(Copy.)

*Colonial Secretary's Office, Tasmania, 20th November, 1866.*

SIR,

His Excellency the Governor has been pleased to appoint you to be the Agent of the Tasmanian Government for the purpose of endeavouring to give effect to the following Resolution of the Parliament of Tasmania :—

“That, for the purpose of promoting the establishment of Telegraphic Communication between Tasmania and the Continent of Australia, it is desirable that the Government of Tasmania be authorised to guarantee to any persons willing to construct and lay a Submarine Cable across Bass's Straits an annual rate of not more than Six per cent. on the cost of such works.”

You are hereby empowered to undertake, on the part of the Government of Tasmania, that that Government will be bound by any Contract which you may enter into with any Company or individual willing to undertake the cost of laying down an Electric Cable between Tasmania and Victoria upon the terms and conditions following ; that is to say,—

1st. To guarantee Six per cent. per annum on an expenditure not exceeding Seventy thousand Pounds (£70,000) to any person or persons for establishing Telegraphic Communication by Submarine Cable between the terminate of the land lines in Tasmania at the Low Heads, at the entrance of the River Tamar, and the terminate of the land lines at or near to Cape Schank, on the north side of Bass's Straits, in the Colony of Victoria.

2nd. The conditions of guarantee to hold good while the communication remains perfect and uninterrupted ; and in the event of a cessation of communication for a period of thirty days, the guarantee shall cease until the Line has again been placed in proper order. Should an interruption extend beyond twelve months, the responsibility of the Government in respect to the guarantee shall cease.

3rd. The maximum rate of interest per annum, inclusive of the guarantee of Six per cent., to which the Contractors will be entitled before any reduction of the guarantee shall be refunded by them to the Government, shall be Ten per cent.

4th. The Contractors to have an exclusive right of Submarine Telegraph communication between the Colony of Victoria and the Colony of Tasmania for a period not exceeding Twenty years, to commence from the time when the Contractors first open Telegraphic Communication between the aforesaid Colonies, and such right to continue in force subject only to the conditions required by the Government for their payment of the guarantee of Six per cent. per annum on the cost of the Submarine Cable.

5th. All accounts between the Government and the Contractors to be adjusted at stated monthly or quarterly meetings, as may be found convenient.

6th. The Government, on the ground of Public Service, reserve the right to obtain the exclusive use of the Submarine Telegraph upon payment to the Contractors of an amount equivalent to the value and profits of the Line ; such value to be determined by the arbitration of disinterested persons.

You will not consider yourself at liberty to concede more favourable terms to any undertakers of the above work, unless such terms have been previously submitted to, and approved of by, the Government of Tasmania.

I have the honor to be,  
Sir,

Your very obedient Servant,

JAMES WHYTE.

GEORGE GILMORE, *Esg.*, *Hobart Town.*

*Hobart Town, 20th November, 1866.*

SIR,

IN acting as the Agent of your Government for the purpose of establishing Telegraphic Communication by Submarine Cable between Tasmania and the Continent of Australia, I have the honor to submit for your consideration that I am willing to undertake the office, and to bear all travelling as well as incidental expenses, and if unable to carry out the intentions of the Government I shall not require any repayment of the same. But, in the event of Telegraphic Communication being successfully established, I ask, as a remuneration for my services and expenses, a commission of One per cent. upon that amount which is guaranteed interest by the Government.

I have the honor to be,

Sir,

Your obedient Servant,

GEORGE GILMORE.

*The Honorable the Colonial Secretary.*

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*Colonial Secretary's Office, 21st November, 1866.*

SIR,

I HAVE to acknowledge the receipt of your letter of yesterday's date, in which you state the terms on which you are willing to undertake the office of Agent of this Government in England for the purpose of establishing Telegraphic Communication between this Colony and the Continent of Australia; namely,—that you will bear all travelling as well as incidental expenses, and if unable to carry out the intentions of the Government that you will not require repayment of the same: provided that, should Telegraphic Communication be established successfully, you shall receive, as remuneration for your services and expenses, a commission of One per cent. upon the amount upon which interest may be guaranteed by the Government.

In reply, I have to inform you that the Governor approves of your terms being acceded to, on the understanding that you leave Australia to carry out the undertaking not later than the 31st proximo.

I have the honor to be,

Sir,

Your very obedient Servant,

JAMES WHYTE.

GEORGE GILMORE, *Esq.*, *Hobart Town.*

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