

(No. 97.)

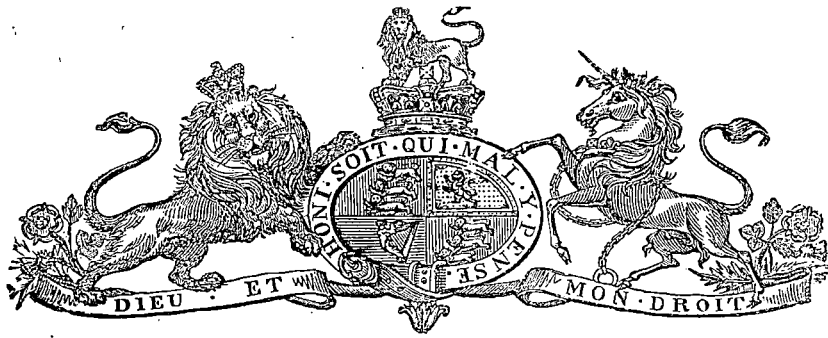


1862.

T A S M A N I A.

ANGLO-AUSTRALIAN & CHINA TELEGRAPH.

Laid on the Table by Mr. Chapman, and ordered by the House to be printed,
16 September, 1862.



15th July, 1862, 6, Duke-street, Adelphi, London.

SIR,

I HAVE the honor, on behalf of the Promoters of the Anglo-Australian and China Telegraph, to enclose a printed Statement of the objects for which they have associated themselves; also Copy of a Document addressed to me and signed by them, dated 3rd March last; also Copy of a Letter dated the 14th instant, addressed to me by Messrs. Forde and Fleeming Jenkin, enclosing estimates for the construction, working, and maintenance of the Telegraph Line between Java and Brisbane; also a Map showing the Telegraphic system which they propose to carry out with a view to connecting India with China and Australia. This undertaking comprises—1st. A Submarine Line between India (Rangoon) and Singapore, to be extended to Hong Kong; and 2ndly. A Submarine Line between Singapore and Java and the terminus of the Telegraph system of Australia, which at present is at Brisbane; also a Tariff Table between London and Alexandria.

The Promoters are in negotiation with the Government of India as regards the first portion of the undertaking; and Sir Charles Wood gave a deputation of their body, which waited upon him on the 27th ultimo, the most positive assurance that the link between India and Singapore would be completed either by the Government itself, or by aiding a Company contemporaneously with the carrying out of the Lines to Australia and China.

The Promoters hope also to make arrangements with the Dutch Government to have a Cable of their own between Singapore and Batavia, though that Government sent out 40 miles of Cable last February to repair their line; and there is no doubt that they will have a paramount interest in keeping up that communication efficiently once that Singapore is connected by Telegraph with India.

The Promoters have already the right to have a separate wire through Java, and to settle the tariff in conjunction with the Dutch Government as far as Singapore. The same powers are reserved to Her Majesty's Government: indeed no tariff can be settled anywhere between Malta and Java without the assent of Her Majesty's Government. You well know, Sir, that the soundings between Java and Brisbane along the proposed course have been taken in the greatest detail almost everywhere, and show a soft and uniform sea bottom seldom exceeding 50 fathoms in depth. The Stations also can be so placed as not to be more than 500 or 600 miles apart. The permanent working and maintenance of Telegraph Cables laid under such conditions does not admit of a doubt.

At this moment more than 3000 miles of Cable, containing upwards of 5000 miles of insulated wire, are successfully at work in shallow water, (say within 100 fathoms),—the longest being that laid last year between Malta and Alexandria, parallel to the African Coast, over a distance of 1300 nautical miles. Some of these lines have worked 8 or 10 years, and a large proportion have cost nothing for repairs. The establishment of Telegraphic communication between Australia and India will convert the present monthly communication between England and Australia into a weekly communication, and will bring them within (say) 16 days of one another. When Telegraphic communication is re-established between Egypt or Turkey in Asia and India, the time will be further reduced to (say) a couple of days, or, under proper arrangements, to a few hours.

The results of my visit to Australia in 1860, for the purpose of obtaining subsidies for the Line between Java and Queensland, may be shortly stated as follows:—New South Wales voted a subsidy of £10,000 a year, without requiring the Home Government to contribute; Victoria voted £13,000 a year, contingent upon the Home Government contributing something; and the Governments of Tasmania, New Zealand, and Queensland promised proportionate contributions. Subsequently the Government of Victoria made an offer to the Home Government to provide half of the whole subsidy that might be required if the Home Government would also provide half. It was understood, at the time, that Victoria would take Tasmania, South Australia, and Western Australia as her co-contributors, leaving New South Wales, Queensland, and New Zealand as co-contributors with the Home Government, which would practically reduce the contribution of the Home Government to a trifling amount. The whole annual subsidy I then asked for was £35,000

to raise a capital of £800,000, calculated to provide a Cable similar to that then recently laid in the Red Sea. The outer iron covering of this Cable, however, has since proved very much too light and liable to corrosion. The greater portion of this Cable was laid in deep water, or in over 100 fathoms, where it was impracticable to repair it. The failure of this and other deep sea Cables made it impossible for some time to act upon the Resolutions passed by the Australian Legislatures. The public did not at first discriminate between deep and shallow water Cables; but the obvious and continued success of all shallow sea lines has revived public confidence in these undertakings.

It is now proposed to lay a Cable three and a half times the weight of that laid in the Red Sea, and, moreover, protected against corrosion by a hard bituminous outer covering, which has been successfully applied to Cables in the English and Irish Channels. This Cable will be capable of transmitting 70,800 messages of 20 words each per annum. This number of messages could be doubled by adopting the latest improvements in the transmitting instruments. To lay this heavier Cable it will be necessary to increase the capital to One million one hundred thousand Pounds (£1,100,000), which includes a sufficient reserve fund for future repairs, as appears by the enclosed Estimate. The Promoters ask that an annual subsidy of Fifty thousand Pounds (£50,000) be granted to them to raise this amount of capital. This subsidy has been calculated on the basis already adopted in the Resolutions passed by the Legislatures of New South Wales and Victoria in 1860. They also asked that the subsidy shall run for 30 years instead of 21 years, and that the surplus net profits over 15 per cent. (instead of over 10 per cent. as stated in those Resolutions) shall belong to the contributing Governments. In return for these additional advantages, they now offer to transmit the messages of the Colonial and Home Governments without payment to the extent of the subsidy; and, in case the Home Government does not contribute, to place the tariff value of their messages to the credit of the subsidy, the Colonies only paying the difference. This was not stipulated for in the Resolutions. We estimate the additional business which the subsidised Line will bring upon the Telegraphs in Australia at 40,000 messages of 20 words each per annum. This will prove a considerable source of revenue towards covering the subsidy. With these, and a few minor alterations which explain themselves, the Resolutions already alluded to would stand as follows, leaving the contribution of the Home Government, if required, to be settled by negotiation:—

1st. That the Governments of Victoria and New South Wales shall grant to a Company of approved stability, in such proportions as they may agree upon, an annual subsidy not exceeding in the whole Fifty thousand Pounds (£50,000), for a period of 30 years, to induce such Company to construct and maintain a line of Telegraph between Java and Brisbane or Broad Sound, in case the Government of Queensland undertakes to extend its Telegraphs to that point by the end of 1864.

2nd. That such Company shall, within two and a half years after a contract has been entered into, construct such Line of Telegraph, unless prevented by war or the dangers or accidents of the seas, and afterwards maintain it in good working order at its own expense.

3rd. That the proposed subsidy shall be proportionably payable on the capital of the Company actually paid up and expended, and shall not exceed 5 per cent. on such capital; and the contract for the manufacture and laying of the Cable shall be open to public tender, and the lowest tender accepted; the satisfactory nature of which competent Electricians in England shall determine.

4th. That no payment of such subsidy shall be made until the Line of Telegraph to be constructed has been in working order for three consecutive months; and such payments shall be made rateably only for the period during which the line so constructed is open for the transmission of messages, unless any interruption shall take place in consequence of war.

A period of 90 days is, however, to be granted in every three years for executing repairs, without any deduction being made from the subsidy.

5th. If such Line shall be closed, unless by reason of war, or shall not be in a state of efficiency for the transmission of messages for any consecutive 18 months, then the Contract with such Company shall be void.

6th. That a Tariff of Charges for the transmission of messages over such Line shall be agreed to by the several contracting Governments and the Company before any contract is entered into; and such Tariff shall not afterwards be altered without the concurrence of such Governments.

The Tariff to be charged on the first opening of the Line is not to exceed Two Shillings and Sixpence for every 100 nautical miles, or any portion of such distance, in respect of messages containing altogether 20 words.

7th. That, in the event of the net profits of the Company exceeding in any year the rate of 15 per cent. per annum, whether derived from subsidy or other sources, such excess shall be rateably applied to reduce the respective contributions of the contracting Governments.

8th. That an Agreement be entered into between the Australian Governments (to which the Company shall not be a party), providing that each of the parties thereto shall contribute annually towards the whole subsidy that is to be paid to the Company in the proportion that the Tariff value

of their respective messages shall bear in every year to the total Tariff value of all the messages transmitted through the subsidised line in the same year.

9th. That the Company shall transmit all the messages of the Colonial and Home Governments without payment to the full extent of the subsidy in each year, calculated at the Tariff Rates; but are to be paid for such messages as are not covered by the subsidy. Should the Home Government not contribute to the subsidy, the tariff value of the messages sent by them will be placed to the credit of the subsidy, and the difference only will have to be paid by the Colonies.

The substitution of Broad Sound for Brisbane will save 350 miles of sea line, but will not reduce the number of stations or the total working expenses. It will reduce the actual outlay by £70,000, which will bring it under £1,000,000 (*vide* Estimate), and will effect a saving in the subsidy under the terms of the 3rd Resolution.

It is impossible to attract capital for investment in long Sub-marine Lines without the expectation of large dividends; and I trust, Sir, that the terms asked for will not be altered. The names of the Promoters are a sufficient guarantee that the best opinions have been taken.

They will select a Board of Directors out of their number so soon as they are informed that their proposition is entertained, and will raise the capital and be in a condition to let the contract for the work within (say) two months of their obtaining the subsidy. It will be made a condition with the Contractors that the work be completed within two years.

When I was out in Australia the necessity for appointing a Colonial Agent in England to act in this matter seemed to be well understood. It is, indeed, evident that his services will be useful to obtain the concurrence of the Home Government, if that is required; also to carry out the precise intentions of the Colonies in the Agreement with the Company, and to act on the Company's Board, at least until the work is completed, as the Official Director representing the Colonial interest.

I would beg to suggest, in conclusion, that such Agent have power to conclude the Agreement with the Company without waiting for the concurrence of the Home Government, or, in case of refusal, having to refer that refusal back to Australia. Only one-fifth of the Line—the Section between Java and Timor—will be outside Australian Waters; and Her Majesty's Government has undertaken to complete the Lines as far as Singapore. Her Majesty's Government will, no doubt, assist with ships to take additional soundings and to pilot the Cable Expedition.

The whole subject of Telegraphic Communication with England was thoroughly discussed in all its bearings for a whole year during my visit to Australia, and I feel it is unnecessary for me to enter more fully into the subject.

I will from time to time inform you of the progress of our measures to lay a Cable between India and Singapore, and a new one thence to Java.

I have the honor to remain,

Sir,

Your most obedient Servant,

F. GISBORNE.

His Excellency Colonel THOMAS GORE BROWNE, C.B.,
Governor of Tasmania.

LONDON, MALTA AND ALEXANDRIA TELEGRAPH.

MESSAGES for transmission by the Malta and Alexandria Line can now be forwarded from any of the Offices of the Submarine, the Electric and International, or the British and Irish Magnetic Telegraph Companies in the United Kingdom, at uniform rates.

The following are the charges for Telegrams of 20 words, including names and addresses, and all instructions for forwarding them on; viz.—

From London to Alexandria	£	s.	d.
Provincial Stations to Alexandria	2	6	9
London to Tripoli.....	1	6	9
Provincial Stations to Tripoli	1	7	9
London to Bengazi	1	16	9
Provincial Stations to Bengazi	1	17	9

Half-rates being charged for every additional 10 or fraction of 10 words above 20.

The charge for postage to places beyond Alexandria is 2s. extra.

Telegrams intended to be sent by post from Alexandria should be addressed to "Gibbs, Alexandria," the receiver's name and address being written at the beginning of the body of the Telegram—thus, for instance:—

FROM TO
Gibbs,
_____ (Sender's name.) Alexandria.
London (or original Station).

_____ (Receiver's name) Shanghai (or destination).

Firms already having agents of their own at Point de Galle, or Bombay, can address their Telegrams thus:—

FROM TO
Gibbs,
_____ (Sender's name.) Alexandria.
London (or original Station).

_____ (Agent's name) Galle (or Bombay), for _____ (Receiver's name)
Calcutta (or elsewhere, as the case may be), or they can address them direct to their agents at Bombay or Galle, as at present.

Messages can also be forwarded beyond Alexandria by the Telegraph to India Company's Line to Suez or Jubal Island in the Red Sea. Firms desirous of availing themselves of the new line are referred to the printed circulars of the Telegraph to India Company.

Deposits of not less than £30 will be received by the Bank of Egypt in London, to be applied to the payment of Telegrams addressed to Alexandria from India, China, Australia, &c., to be telegraphed to the United Kingdom; and arrangements have been made by which such deposits shall, when desired, be used to cover the charges for the transmission of Messages by the Telegraph to India Company's Line in the Red Sea.

THE Outward Mail Packets arrive at ALEXANDRIA on or about the under-mentioned Dates:—

Months, 1862.	For China, Australia, Calcutta.	For Bombay.	For China and Calcutta.	For Bombay.
May.....	4th	11th	18th	27th
June	3rd	11th	18th	26th
July.....	4th	11th	18th	26th
August	3rd	12th	19th	26th
September	3rd	11th	18th	26th
October	4th	11th	18th	26th
November	4th	11th	18th	26th
December	4th	11th	18th	26th

Telegrams should for the present be sent from ENGLAND not later than two days before the dates of arrival of the Steamers at Alexandria.

TARIFF for Local Telegrams of Twenty Words.

	£	s.	d.
From Malta to Alexandria	1	10	0
Malta to Tripoli	0	10	0
Tripoli to Bengazi	0	10	0
Bengazi to Alexandria.....	1	0	0
Alexandria to Cairo.....	0	4	2
Alexandria to Suez	0	8	4
Alexandria to any Port in India, China, Australia, &c. (by Telegraph to Jubal, and thence by Post to destination)	0	18	0
Alexandria to Inland Stations in India (by Telegraph to Jubal, Post to Bombay, and thence by Telegraph to destination)	1	4	0
Ditto by Telegraph from Galle	1	6	6

Half the above Rates for every additional ten words or fraction of ten words.

English Clerks have been placed at the principal Italian Offices (under a convention signed by the Italian Government) for the express purpose of facilitating the through transmissions. Telegrams should in preference be written in the English language.

May, 1862.

STATEMENT OF THE PROMOTERS.

THE objects of the Promoters, who represent forty Banks and firms trading with China and Australia, are to establish telegraphic communication between India and Australia and between India and China; the effect of which will be to bring Australia and China into nearly instantaneous communication with India and with each other, and within (say) sixteen days of Great Britain, besides converting the communication, which is now once a month only to Australia and once a fortnight to China, into a weekly one to each country. When telegraphic communication is re-established between Egypt, or Turkey in Asia, and India, the communication between Great Britain, China and Australia will be further reduced from sixteen days to about as many hours.

To carry out these objects it will be necessary to construct three lines of Telegraph.

1. To lay a Submarine Cable to connect Singapore with the Telegraph system of India at Rangoon, the present terminus of that system, over a distance of 1200 sea miles, with intermediate Stations at Amherst (Moulmein), King Island and Penang.
2. To extend the Cable from Singapore to Hong-Kong (Canton), viâ Sarawak, Labuan and Manilla, a distance of 2080 miles, or viâ the French Settlement of Saigon, a distance of 1678 miles.
3. To extend the Dutch lines which connect Singapore with Batavia and the east end of Java, from that point to the terminus of the Telegraph system of Australia, which at present is at Brisbane, on the eastern coast, but which is likely to be soon carried farther northward.

The distance from Java to Brisbane, viâ Timor and the Northern Coast of Australia, is 3024 miles.

Soundings have been taken between Rangoon, Singapore and Hong Kong, also between Java and Brisbane; and they show that the different cables can be laid on a soft and uniform sea bottom, seldom exceeding 50 fathoms in depth.

The numerous islands of these seas will enable stations to be placed about 600 miles apart; a convenient distance for working and repairs.

The Malta and Alexandria Cable, which is longer than the proposed India-Singapore, and nearly half the length of the Java-Brisbane Line, in common with nearly every other cable laid in shallow water, or say within 100 fathoms, has been maintained in permanent good working order. At this moment there are more than 3000 nautical miles of cable, containing upwards of 5000 miles of insulated wire, successfully at work in shallow water; some have worked 8 or 10 years, and a large proportion have cost nothing for repairs. Occasional interruptions are the only dangers to be feared; and when an efficient steamer is maintained for the purpose, any necessary repairs can be rapidly and easily effected.

The Promoters have applied to the Government of India for an annual subsidy in support of the India-Singapore or first section. Sir Charles Wood assured a Deputation of the Promoters that the Indian Government would carry out, or assist in carrying out, this section contemporaneously with the other sections.

They have applied to the French Government for an annual subsidy for that portion of the second section which is between Singapore and Saigon.

The Australian Legislatures voted considerable subsidies two years ago in support of the Java-Queensland, or third section, and they have been asked to apply them to carrying out the work at once.

All these subsidies are only to run during the successful working of the Lines; but a reasonable time in each year is to be allowed for repairs without any deduction in the payments. The Company will always have a steamer in readiness to effect any repairs which may be required.

The Singapore-Batavia Line has been frequently interrupted. These interruptions have been due partly to the light cable used, and have been unnecessarily prolonged, owing to the absence of any organisation for repairs; but the Dutch Government will have a strong interest in keeping up this telegraphic communication efficiently, so soon as Singapore is connected with India. They have granted the right to the Promoters to have a separate wire through Java, and to settle the Tariff of Messages in conjunction with the Government.

Arrangements are in progress for securing an efficient cable between Batavia and Singapore.

It appears from official returns that 10,000 vessels, including repeated voyages, and a trade of £64,000,000 at the least will annually make use of the Line between India and China, and that a trade £40,000,000, in which 2400 vessels are engaged, will annually make use of that between India and Australia. The trade, moreover, both with China and Australia is rapidly on the increase; and a large and wealthy population in the latter country will send and receive numerous messages on private business. From these sources it is estimated that a minimum of 40,000 messages will be annually transmitted by the cable between India and China, and a similar number by that between India and Australia, principally on their way to and from Europe, being 55 messages per diem each way to and from China and Australia respectively.

The relative cost of the three sections will be as follows:—

	£
Rangoon-Singapore	450,000
Singapore-Hong Kong	530,000
Java-Brisbane	1,100,000
	<hr/>
Total.....	£2,080,000
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This capital includes a sufficient reserve fund, and will provide heavy cables protected against corrosion by a hard bituminous outer covering. The cables will be capable of transmitting over 70,000 messages of twenty words each per annum with the ordinary instruments now in use. For the India-Singapore section a larger core will be adopted capable of transmitting 150,000 messages per annum. This number of messages could be doubled by adopting the latest improvements in instruments.

The negotiations between the Promoters and the Australian Governments in reference to the Line between Java and Queensland have been carried on as follows:—Mr. F. Gisborne proceeded to Australia in 1860 for the purpose of obtaining subsidies for that Line. New South Wales voted a subsidy of £10,000 per annum without requiring the Home Government to contribute; Victoria voted £13,000 a year, contingent upon the Home Government contributing something; and the Governments of Tasmania, New Zealand, and Queensland promised proportionate contributions. Subsequently Victoria made an offer to the Home Government to provide half of the whole subsidy that might be required if the Home Government would also provide half. It was understood at the time that Victoria would take Tasmania, South Australia, and Western Australia as her co-contributors, leaving New South Wales, Queensland, and New Zealand as co-contributors with the Home Government, which would practically reduce the contribution of the Home Government to a trifling amount. The whole annual subsidy then asked for was £35,000 to raise a capital of £800,000. This was calculated to provide a cable similar to that then recently laid in the Red Sea, and between Batavia and Singapore. The outer iron covering of this cable, however, has since proved very much too light and liable to corrosion. The greater part of the Red Sea Cable was laid in deep water where it was impossible to repair it. The failure of this and other deep sea cables made it impossible for some time to act upon the Resolutions passed by the Australian Legislatures. The public did not at first discriminate between deep and shallow sea cables; but the obvious and continued success of the great majority of shallow sea lines, and especially of the long cable between Malta and Alexandria has revived public confidence in those undertakings. It is now proposed to lay a cable three and a half times the weight of that laid in the Red Sea, and, moreover protected against corrosion by a hard bituminous outer covering which has been successfully applied to cables in the English and Irish Channels.

To lay this heavier cable it will be necessary to increase the capital to £1,100,000. The subsidy would thus be raised to £50,000 per annum on the basis already adopted in the Resolutions passed by the Legislatures of New South Wales and Victoria in 1860.

The subsidy is to run for thirty years. The Promoters offer to transmit the messages of the Colonial and Home Governments without payment to the extent of the subsidy; and in case the Home Government does not contribute, to place the tariff value of their messages to the credit of the subsidy, so that the difference only should be paid by the Colonies. It is estimated that 40,000 additional messages will be brought annually upon the Telegraphs in Australia by the subsidised line, which will be a considerable source of revenue towards paying the subsidy.

The Promoters ask that Victoria and New South Wales shall render themselves liable to the Company for the whole subsidy. This liability will be equitably redistributed by means of an inter-colonial agreement,

basing the contribution of each Colony towards the whole subsidy on the use it shall make of the subsidised line. Thus, if Victoria sends and receives half of the whole number of messages transmitted through that line in any year, it would pay the half of the subsidy. The payment of the subsidy is to be contingent upon the successful working of the Cable. Should the Government of Queensland extend its Telegraphs to a point north of Brisbane, for instance, to Broad Sound, the Company's Cable might be made to terminate at such point; but any such extension must be completed by the end of 1864, and will not diminish the number of stations or the total working expenses, though it will save 350 miles of sea line.

The Cable between Java and Brisbane could be laid in about two years after the letting of the contract.

It is proposed to give the Colonies an efficient control over the Tariff. Under existing arrangements no Tariff can be established anywhere between Malta and Java without the assent of the British Government.

As regards the contribution of the Home Government, it should be borne in mind that Her Majesty's Government has bound itself to complete the Telegraph Lines as far as Singapore, and will no doubt assist the Telegraph to Australia, by lending ships to take additional soundings, and to pilot the Cable expedition. It should also be remembered that only one-fifth of the line, the section, namely, between Java and Timor, is out of Australian waters.

London, July, 1862.

London, 3rd March, 1862.

THE undersigned will use their best efforts to carry out, through the medium of a private Company, a Line of Telegraph between Rangoon, the present terminus of the Indian Telegraphs, and Singapore, in the event of H. M. Government granting an annual subsidy calculated to pay for the working and maintenance expenses of the line.

The payment of the subsidy to be contingent upon the successful working of the Cable.

F. GIBBORNE, *Esquire*.

[Signed as follows: the descriptions in brackets have been added.]

The Peninsular and Oriental Steam Company, per C. W. Howell, Secretary.
 James Ed. Coleman, [Public Accountant to the Bank of England.]
 Geo. G. Nicol, Chairman Chartered Mercantile Bank of India, London, and China.
 George May, of Mathewson & Co.
 H. W. Eaton, [33, Old Broad-street.]
 Charles E. Mangles, [Chairman of the Royal Mail Steam Packet Company, and Director of the Union Bank of Australia.]
 R. Campbell, [Director of the Union Bank of Australia.]
 D. Q. Henriques, [Director of the Bank of Australasia.]
 Charles Morris, [Director of the Bank of Australasia.]
 James J. Cummins, [Chairman of the Union Bank of Australia.]
 F. H. Dutton, [45, Dover-street.]
 H. A. Hankey, [Lane, Hankey, & Co.]
 W. W. Cargill, [Director of the Oriental Bank Corporation.]
 Peek Brothers & Co., [20 and 21, East Cheap.]
 W. N. de Mattos, [27, Leadenhall-street.]
 Richard R. Wade, [Director of the National Provincial Bank of England.]
 Daniel Cooper, [Director of the Bank of New South Wales.]
 William Fane de Salis, Chairman London Chartered Bank of Australia.]
 J. B. Elin, [Director of the Union Bank of Australia.]
 David Salomons, Alderman, [M.P., and Chairman of London & Westminster Bank.]
 H. G. Gordon, [Chairman of Oriental Bank Corporation.]
 T. M. Mackay & Co., [Shipowners, 1, Leadenhall-street.]
 Ashton & Co., [39, Lombard-street.]
 G. W. Adams, for the Chartered Bank of India, Australia, and China.
 Halliday, Fox, & Co., [4, Cullum-street, E. C.]
 John Okell, [46, Fenchurch-street.]
 Robert Smith & Co., [St. Michael's Alley, Cornhill.]
 J. L. Fraser & Co., [39, Nicholas-lane.]
 Scott, Bell, & Co., [2, Alderman's Walks, Old Broad-street.]
 Kay, Finlay, & Co., [2, King William-street.]
 T. D. Finlay, & Co., [Glasgow.]
 Thomas Bonhote & Co., [150, Leadenhall-street.]
 Ogle & Co., [24 & 25, Fenchurch-street, Agent to the Burmah Company, limited.]
 Knight, Coleman, & Co., Brokers to the Indian Telegraph Company.
 How Brothers & Co., [4, Cullum-street.]
 The Borneo Company, limited; John Harvey, Managing Director.
 S. D. Sassoon, [8, Leadenhall-street.]
 Grindlay & Co., [55, Parliament-street.]
 James Wiseman & Co., [Glasgow.]
 A. Middleton [Liverpool.]

14th July, 1862, 6, Duke-street, Adelphi.

DEAR SIR,

WE enclose you an Estimate of the first cost and maintenance expenses of the proposed Cable between Java and Brisbane.

You will see, by the Specification, that we recommend the adoption of a heavy and somewhat expensive Cable. Small and cheap Cables have seldom proved permanently successful, and we think it bad policy to spare money on this part of the expenditure. The core will transmit, with the usual Morse instruments, from 7 to 8 words per minute between the proposed Stations.

With new improved instruments this number of words could be doubled.

The outer covering of heavy iron wires is suitable to the depth of water along the proposed route. These wires are, moreover, to be protected against corrosion by a hard bituminous outer coating. We believe that the sum named as the cost of this Cable free on board in England will agree well with the tenders to be obtained from first-class makers by public competition.

Contractors have hitherto been generally employed for the transport and submerging of Cables; but we think that in a line like the present, where there is really no risk of failure, the large sums usually paid under this head can be saved; and we have framed the estimates on the supposition that the Company will transport and lay the Cable by means of its own officers.

A large saving will thus be effected, and the Company's Officers will have a thorough control over the execution of this part of the work, which has hitherto frequently not been the case.

The proposed arrangement will also enable a large number of firms to tender for the outer covering.

We propose to use sailing vessels for the conveyance of the Cable, in wrought iron water-tight tanks, from England to Australia.

The adoption of this plan, without any sensible increase of risk or delay, still further diminishes the Estimate below the sum which would be required if the Cable were to be carried (as formerly estimated) in steamers specially built or chartered for the purpose.

The proposed plan entails the purchase of two large and powerful steamers, which would, however, in all probability be used to lay the Rangoon-Singapore, the Singapore-Hong Kong, and a new efficient Singapore-Batavia Cable. In any case these steamers would be sold and replaced by one or two smaller and less expensive boats for repairs. One boat would be sufficient for the Java-Brisbane Section, but two would be required for the whole Eastern system. The Java-Brisbane Section is at the end of the Estimate credited with a portion of the purchase-money of the large steamers, either on account of their sale or as part of their first cost, which would be charged against the other sections.

The total cost of each of the four sections, if carried out with the same steamers and staff within three and a half years, would be as follows:—

	£
Rangoon-Singapore	450,000
Singapore-Batavia	170,000
Java-Brisbane	1,100,000
Singapore-Hong Kong	530,000
	<hr/>
Total	£2,250,000
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You will perceive that, while nothing has been spared to secure a strong and efficient Cable, the utmost possible economy has been studied in the plans for carrying out the work; and the Estimates are consequently very little higher than those laid by you before the Australian Legislatures for a Cable of less than one-third the weight of that now proposed.

The cost of working and maintenance may appear high, but we are convinced by experience that it is desirable to have a very ample staff of first-class men for the superintendence of a Submarine Line, and that, moreover, it is desirable to use a very superior class of Telegraph Clerks to those employed on Land Lines.

We also consider it absolutely necessary to provide an efficient steamer to be maintained constantly on the line in readiness to effect any necessary repairs. Interruptions which need not have lasted more than a few days have on some lines been prolonged for months for want of such a steamer. This boat will also visit the stations periodically.

The Estimate for Home management and engineering is reasonable; and the sum put down for the sinking fund is small, but we believe it to be sufficient. £15,000 per annum is allowed for the repairing steamer. This sum, with the 320 knots of spare Cable provided at the outset, will meet all the expenses of repairs during (say) the first 15 years. At the end of that time the sinking fund of £12,000, at 4 per cent. compound interest, will amount to over £240,000, which, with the reserve of £100,000, will make an available fund of £340,000 for the complete renewal of any section or sections, or for the extension of the lines.

The duration of the Cable has hitherto depended on the time during which the outer iron wires remain sound. In some seas iron decays very slowly, in others more rapidly; but it is believed that the bituminous covering will ensure the permanency of the Cable. We therefore are far from anticipating that any section will require renewal at the end of 15 years; but it is certainly desirable that a considerable sinking fund should be provided to meet emergencies.

The Malta-Alexandria Cable, only 1300 knots long, and situated near England, cost the Imperial Government nearly £500,000. This fact alone will show that our Estimate of £1,100,000 for a stronger Cable, 3024 knots long, to be laid in Australian waters is framed in the most economical manner. This Estimate is, however, the result of careful consideration; and we are convinced that the work can be efficiently carried out for the above sum in from two to two and a half years.

We enclose a small Map of the proposed Lines,

And remain

Your obedient Servants,

FORDE & FLEEMING JENKIN.

INDIA, AUSTRALIAN, AND CHINA TELEGRAPH.

ABSTRACT of Specification for a Cable between Java and Brisbane.

MAIN CABLE.

7 copper wires in a strand weighing, per knot	150 lbs.	
3 coverings of gutta percha and 3 of Chatterton's compound..	230	
Total weight of Core	380 lbs.	= 3.40 cwt.
Jute and tar		4.20
10 best selected charcoal iron wires No. 1. B. W. G.		52.40
Outer protection—Latimer Clark's Patent		14.00
Total weight per knot of main cable.....		<u>74.00</u>

SHORE ENDS.

Core as above.....		3.40 cwt.
Jute and Tar.....		9.50
10 best selected charcoal iron wires, No. 1, B.W.G.....		121.10
Outer protection, Latimer Clark's patent.....		20.00
Total weight per knot of shore end.....		<u>154.00</u>

LENGTH OF CABLE REQUIRED.

Cape Sedano (East Java) to Coepang (Timor).....		590 knots.
Coepang to Port Essington		525
Port Essington to Cape York.....		635
Cape York to Cape Cleveland.....		619
Cape Cleveland to Moreton Bay.....		655
Total direct distance.....		3024
5 per cent. slack probably used.....		151
		<u>3175</u>
10 per cent. spare cable for subsequent repairs.....		317
Total cable required.....		<u>3492</u>
Of which main cable	2970 knots.	
shore ends.....	522	
	<u>3492</u>	

ESTIMATED Cost of Line, to be carried out in Two Years from the time of signing of the Contracts.

	£	£
2970 knots of main cable, at £151 per knot.....	448,470	
522 knots of shore ends, at £244 per knot.....	127,368	
Insurance, 5 per cent. on £575,838.....	28,792	
	<hr/>	
Total cost of cable, free on board in England.....	—	604,630
13,000 tons of cable conveyed to Melbourne in sailing vessels specially chartered and fitted with a wrought iron water-tight cable, tanks, pumps, &c.....	—	98,450
Two steamers for laying the Cable, each 1800 tons gross register, fitted with large water-tight cable tanks, with picking up and paying out machinery.....	70,000	
[These steamers will take out 2000 tons cable.]		
Coals for the two ships during the outwards voyage and laying the cable, in all 600 days, at 25 tons per day, 15,000 tons, at an average of 50s.....	37,500	
Wages, stores, provisions, insurance, special stores, and contingencies.....	59,920	
	<hr/>	
Total first cost and working expenses of steamers.....	—	167,420
Six stations, with furniture, instruments, land line, and salaries of clerks during construction of line.....	43,780	
Engineering and electrical staff employed to superintend the manufacture in England and to lay the Cable in Australia.....	39,866	
Expenses of management in England.....	13,750	
	<hr/>	
Total stations, salaries, and management.....	—	97,396
Interest during construction.....	—	62,500
Reserve Fund.....	—	100,000
	<hr/>	
Total cost of line.....	—	1,130,396
Credit by part of first cost of steamers charged to other sections, or by sale of steamers.....	..	30,396
	<hr/>	
Total capital required.....	..	<u>1,100,000</u>

MAINTENANCE PER ANNUM.

	£
6 stations, including general superintendence.....	18,000
Annual cost of steamer and stores.....	15,000
Direction and home expenses with engineer.....	5,500
Renewal Fund.....	12,000
	<hr/>
Total.....	<u>£50,500</u>

