

It involves the consideration of a contract proposed by Mr. Passmore at an enormous saving to all the Governments concerned, without exception.

The stability or sufficient guarantee of parties, who will concur in the operation.

And finally, the new difficulty before unknown to me, that the cable laid down by Mr. Gisborne between Java and Singapore, that was relied upon for the connection between Australasia and India, has failed.

With a thousand apologies for my repeated intrusion, which I trust may not again occur.

I have, &c.,

G. S. WALTERS,

Agent-General for Her Majesty's Colony of South Australia.

Sir F. Rogers, Bart.

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MR. WALTERS TO COLONIAL TREASURER, SOUTH AUSTRALIA.

5, Copthall Court, London,

26th March, 1863.

SIR,—

I have the honor to lay before you the copy of a letter from Mr. Passmore, dated yesterday. You will perceive his desire that I should send to you the copy of this proposal to the Chancellor of the Exchequer which he encloses for that purpose; and I accordingly comply with his wish and now forward it. You will perceive that he tenders to make the line from East Java to Timor, and thence to land the cable on the nearest point on the north coast of Australasia; also to carry the wire further by land 1,100 miles to the point that may be determined upon by the Australasian Governments, this central agreed point being that from which each Government can connect its own system and receive the telegrams simultaneously.

This Mr. Passmore proposes to do for the sum of £412,000 named in his correspondence with me already sent to you (in printed copies). I inquired of Mr. Passmore how he was situated with respect to affording some responsible guarantee for so large an undertaking (?) and in satisfaction of my inquiry he states that he is backed by responsible parties.

You will also notice possibly with something of the same surprise that I have felt the present condition of Mr. Gisborne's cable between Java and Singapore described by Mr. Passmore as broken down. Those seas are dangerous.

I have, &c.,

G. S. WALTERS,

Agent-General for South Australia.

The Honorable the Treasurer of South Australia.

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MR. PASSMORE TO MR. WALTERS.

90, Cannon-street, E.C., 25th March, 1863.

SIR,—

I beg to hand you herewith copy of my proposal to the Right Honourable the Chancellor of the Exchequer of the 24th instant, stating my readiness to contract for the sea cable from East Java to the nearest point on the north coast, carrying a land-line from thence 1,100 miles to a point to be determined on by the various Colonial Governments for the sum of £412,000 as named in my correspondence with you.

From the point so suggested each Colony might adopt its own line of communication, receiving their telegrams at the same moment of time.

I must, however, warn you that my proposition will not place Australia in communication with Singapore, inasmuch as Mr. Gisborne's cable between Java and Singapore is not at work, having been broken down for some weeks. If not made good I think it is worthy of consideration, whether the cable should not cross the Straits of Sunda at the shortest point, and be carried along the Island of Sumatra by land, crossing the Straits of Malacca at the nearest point to Singapore.

I have, &c.,

WM. B. PASSMORE.

P.S.—Would you oblige me by sending to the South Australian Government the copy of my proposal.

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THE RIGHT HON. F. PEEL TO SIR FREDERIC ROGERS, BART.

Treasury Chambers, 24th June, 1863.

SIR,—

With reference to your letters of 16th March and 4th April last, transmitting copies of letters and of their inclosures from Mr. Walters, the Agent-General from South Australia, respecting the establishment of telegraphic communication with the continent of Australia, I am commanded by the