

and its buoyancy is greater, and the thickness of gutta percha is in excess of the others. It is something like the Atlantic cable.

5. Do you think any company would undertake the laying of a cable?—No company would entertain such a proposition previous to taking soundings. I have here an offer from the Submarine Telegraph Company to lay a cable for £350,000, but they do not say what class of cable would be used. Till that is fixed, it is impossible to estimate the cost of bringing out and laying it here.

6. Could the cable be lifted in the event of accident?—Yes; provided it was of a certain class. Some are not strong enough to lift beyond a certain depth. I have here a letter from a Mr. Donovan which gives the cost by the different proposed routes.

7. Do you think the cable should be laid by the Colony, or should it be left to private enterprise?—I think, taking all things into consideration, that it would be better, although it might cost a little more, for a private company to undertake the thing. They have all the necessary appliances in England, and we would require to commence by getting all that would be wanted.

8. On what terms would you give it to a private company to work?—That would be a matter for arrangement between the two Governments. So far as the New Zealand Government is concerned, I think that the conditions stated are fair and proper.

9. Have you any idea of the probable revenue. Would it pay sufficient interest on the outlay?—The Hon. Mr. Vogel asked me to give him the probable revenue from a cable between here and Australia. Of course there is no reliable data to go upon, and the only plan is to take the amount of correspondence between the two countries, and compare that with the correspondence in New Zealand as against the telegrams here. [Witness pointed out that, while the telegrams were increasing, the letters were going back. All letters, except English or foreign, were included in this statement.]

*Memorandum for the Chairman of the Submarine Electric Cable Committee.*

From the 13th March, 1872, to the 12th April, 1872, the number of telegrams sent from the Province of Auckland to other parts of the Colony, and *vice versa*, when communication between the North and South Telegraph Stations was completed by horse express, was 961, value £90 8s. 6d.

When the wires were joined up, thus doing away with the horse express, the increased facilities for telegraphing raised the number to 2,561 telegrams, value £226 18s. 6d., in one month.

The number of telegrams posted in one month (July, 1872) for Australia is 214. Assuming we receive as many, posted in Australia, to be telegraphed on arrival in New Zealand, when the cable is laid the increased facility for telegraphing would cause 1140·5 telegrams to be sent monthly to and from New Zealand, being an average of 36·7 messages daily for a month of 31 days.

C. LEMON,  
General Manager.

New Zealand Telegraph Head Office,  
Wellington, 13th August, 1872.

10. Do you think the revenue that might be made from a cable would be sufficient to pay a fair interest to the contractor?—No; I think it would fall very far short of it; but then the cable, though it might not pay directly, might pay in other ways, though its value in that way might be difficult to estimate.

11. Would a contractor lay down a cable without a guarantee?—No, I do not think so.

12. Supposing it was left open to the world, that we said to the various companies, "Here, lay down a cable if you like, and we will give you a concession or monopoly of it for twenty-one years." Do you think contractors would take it up?—No, I do not think so.

13. Has the Cook Strait Cable cost anything for maintenance?—Nothing since it was laid.

14. Has the telegraph business increased in New Zealand?—Yes; but the increase has been owing to the increased facility for communication. When the last computation was made fares were much higher, which proves that people instead of writing letters are telegraphing more.

FRIDAY, 16TH AUGUST, 1872.

Mr. C. LEMON in attendance, and further examined.

Mr. C. Lemon.

15. *The Chairman.*] Between the 13th March, 1872, and the 12th April, 1872, the number of telegrams sent from the Province of Auckland to other parts of the Colony, and *vice versa*, when communication between the North and South telegraph stations was completed by horse express, was 961, of the value of £90 8s. 6d. When the wires were joined up, thus doing away with the horse express, the increased facilities for telegraphing raised the number to 2,561 telegrams, of the value of £226 18s. 6d. in one month. The number of telegrams posted in one month (July, 1872) for Australia is 214. Assuming we receive as many posted in Australia to be telegraphed on arrival in New Zealand, when the cable is laid, the increased facilities for telegraphing would cause 1140·5 to be sent monthly to and from New Zealand, being an average of 36·7 messages daily for a month of 31 days.

16th Aug., 1872.

16. In reply to further questions put by the Chairman, the witness stated that in his previous evidence he had answered the question, Would you recommend that the laying of the cable should be undertaken by the Government or a private company? He had expressed his opinion in favour of the latter.

17. In the report of the Electric Telegraph Committee of 1870 it is stated that 6 per cent. guarantee is the amount such a company would require. Do you consider that that would be a reasonable amount?—A late report on the subject, dated 5th February, 1872, recommends that the guarantee should be 5 to 6 per cent. My opinion is, that the guarantee should be given by the joint Governments.

18. Have you any other suggestions to make in the matter—anything about the best route?—No; the first thing that would require to be done would be to take proper soundings.