

Enclosure 1 in No. 38.

The Hon. the PREMIER, Melbourne, to the Hons. the PREMIERS, Sydney and Brisbane.

SIR,—

Premier's Department, Melbourne, 17th November, 1892.

Quite casually I have seen the parliamentary paper specified in the margin,* from which alone I have become acquainted with the very important contract entered into by New South Wales and Queensland for a telegraph-cable from the Queensland shore of Australia to New Caledonia.

2. I feel sure you will believe that if this had been a matter merely affecting the colonies mentioned, I should not now venture to offer any comment upon it. I gather, however, from the published contract and correspondence, that the cable to New Caledonia is a section of a main cable to connect Australia with America, and thence with Europe; and that subsidies from the other Australasian Colonies are contemplated for the work as a whole.

3. It is, however, not alone on the ground that a subsidy may hereafter be requested from Victoria, that I now refer to the matter; but the question of a second cable to connect Australia with Europe has, for several years past, been fully recognised as a matter of general Australasian concern; it formed the principal subject of a proposed Conference between these colonies and Canada, and the Government of Victoria has always taken a warm interest in it. There were important questions to be considered affecting the interests of all the colonies, which, no doubt, they were prepared to deal with when called upon to do so; such were the route, the contractor, and the general support or subsidy. Regarding the matter in this light, the Government of this colony would have been glad to have had an opportunity of considering it in concert with the other Governments now parties to the contract.

4. The route, especially, is a question having not only intercolonial but even national bearings. One principle mooted in previous discussions was, that any second cable should be laid entirely through British territory (excepting Samoa and Honolulu, which hardly count in an international question); but it appears from the correspondence that the following route "has been decided upon—viz.: From Queensland to New Caledonia, thence to Fiji, thence to Samoa, thence Fanning Island, thence Honolulu, thence San Francisco or Vancouver."

5. By passing through New Caledonia this cable will enter the territory of a European Power to which it seems most undesirable to give any opportunity of interfering with the line. Should there at any time, unhappily, be war with France, the line would be quite useless, either to the colonies or to Great Britain. May I venture to throw out the suggestion that a preferable route would have been direct from Queensland to Fiji, a connection with New Caledonia being made a quite subordinate matter.

6. It is possible that your Government has an ulterior intention to favour the establishment of a direct cable independently of New Caledonia, though this is certainly not to be gathered from the printed papers. I shall be very glad, however, if you will inform me whether such is the case; and if not, what your views are as to the obvious danger of the line being interfered with in the event of a European war.

7. In now writing, I sincerely trust that you will not feel that I am intervening without warrant in regard to this matter. I have, however, endeavoured to show that it has an aspect in regard to which the other Australasian Colonies are interested, in no unimportant degree.

I have, &c.,

The Hon. the Prime Minister, Queensland [and New South Wales].

WM. SHIELDS.

* N.S.W.—Legislative Council, 1892. "Submarine cable between Australia and Vancouver *via* New Caledonia—Proposed construction of."—C.-16.

No. 39.

MINUTE by the Hon. the POSTMASTER-GENERAL.

I AGREE generally in the views of the Victorian Premier. I think the line, in its national aspect, most undesirable. New Zealand has not been asked to be a party to the contract; and, should such a request be made, in my opinion it should be declined.

23rd December, 1892.

J. G. WARD.

No. 40.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne.

SIR,—

Premier's Office, Wellington, 29th December, 1892.

I have the honour to acknowledge the receipt of your letter of the 18th ultimo, enclosing copy of one which you had addressed to the Premiers of New South Wales and Queensland, on the subject of a contract made by those colonies for the construction of the first section of a telegraph-cable from Australia to America *via* New Caledonia.

In reply, I beg to state that this Government cordially approves of the attitude taken by your Government, as it considers the line by the proposed route, in its national aspect, to be most undesirable. And, I need hardly say, that it is not possible that New Zealand can at any time become a party to it.

I have, &c.,

The Hon. the Premier, Melbourne, Victoria.

J. BALLANCE.

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