

“The Postmaster, Sydney, to the Postmaster, New Zealand.

“*Re* this morning's telegram from the Extension Company. I am prepared recommend Cabinet renew subsidy on terms suggested in January. Company have given way in accepting a five years' subsidy, and I consider this proposal the best way out of difficulty. Strongly urge your reconsideration, and thus save inconvenience and possibly increased instead of reduced charges to public.’”

The AGENT, Tasmania, to the EASTERN EXTENSION COMPANY, London.

1st October, 1886.

CORRESPONDENCE published in Melbourne papers—comments thereon favourable to company—deprecate Vogel's action throughout; hope he will be influenced by wishes of other colonies and make fair and equitable arrangement with company. Postponement of increased tariff appreciated, and proof that company has every desire to act liberally to colonies.

The AGENT, Sydney, to the EASTERN EXTENSION COMPANY, London.

2nd October, 1886.

NEW Zealand Cabinet considers cable question next week. Published Auckland telegram says Vogel satisfied his colleagues will support attitude already adopted by him.

The AGENT, Sydney, to the EASTERN EXTENSION COMPANY, London.

4th October, 1886.

PAPERS have not published correspondence. Browning receives his copies to-morrow. Says Press generally support Vogel. Sydney *Herald* leader says would be unreasonable expect continuation present rates, and nobody should complain raising tariff; effect will be increase difficulty intercourse and push New Zealand further from Australia, such result must be regarded as a misfortune. Conduct of New Zealand Government to be regretted; hopes it will reconsider decision and accept reasonable proposals of company. *Herald* also publishes Mr. Derham's proposal to raise tariff for New Zealand messages over Tasmanian and Darwin cables; says action of New Zealand Government is not viewed with favour by Victoria, New South Wales, or Adelaide. I have telegraphed all this to Browning for New Zealand Press.

The AGENT, New Zealand, to the EASTERN EXTENSION COMPANY, London.

4th October, 1886.

CORRESPONDENCE was posted from Sydney last Wednesday. Expect to receive it to-morrow. Chairman's telegrams were published and Press informed that correspondence would be forwarded in a few days. At present New Zealand papers writing in favour of new cable. See my services of 13 and 31 words on 27th. Will keep you fully informed.

The AGENT, New Zealand, to the EASTERN EXTENSION COMPANY, London.

4th October, 1886.

CABINET Council will be held this week to consider question of subsidy.

No. 2.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,— 7, Westminster Chambers, London, S.W., 22nd September, 1886.

I transmit to you herewith copy of a letter I have received from Mr. Pender covering printed copy of the correspondence relating to the renewal asked for by the Eastern Extension Telegraph Company of the New Zealand Cable subsidy.

You will see that, a renewal of the subsidy having been declined, the company have determined upon raising the tariff over the cable from the 1st of October.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

Enclosure.

The CHAIRMAN, Eastern Extension Company, to the AGENT-GENERAL.

The Eastern Extension, Australasia, and China Telegraph Company (Limited),
50, Old Broad Street, London E.C., 21st September, 1886.

SIR,—

Referring to our interview last week on the subject of the negotiations for the renewal of the New Zealand cable subsidy, when I informed you that, having exhausted all possible means of bringing about a satisfactory solution of the question, the company have decided to raise the tariff over the Sydney-Nelson cable for Intercolonial telegrams from the 1st October proximo to 10s. per ten words and 1s. for each additional word. I have now the honour to transmit to you a copy of the whole correspondence which has passed between the company and the Governments of New Zealand and New South Wales on the subject.

You will observe that the Government of New South Wales were long ago prepared to renew their portion of the subsidy for another ten years, in consideration for which the company agreed to reduce the tariff to 5s. for ten words for Government and ordinary telegrams, and to 3*d.* per word for Press messages.

The Parliament of New Zealand, however, would only renew the subsidy for five years on conditions which were unacceptable to the company.