

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

29th October, 1886.

AUCKLAND, Thursday.—Deputation from Press Association interviewed Premier and urged him to renew the cable subsidy. He declined to make a promise, but the Cabinet would reconsider the matter next week. A conference of the Postmasters of Melbourne, Sydney, and Adelaide is to be held here three weeks hence on postal matters. Dereham promises to bring the New Zealand cable subsidy under discussion. He regrets Vogel being so unreasonable, and admits that company have tried every means to deal liberally with him. General opinion is that the company is justified in raising the rates if the subsidy is not renewed.

The POSTMASTER-GENERAL, New South Wales, to the CHAIRMAN, Eastern Extension Company, London.

30th October, 1886.

REGRET your decision to raise the rates on November 1, which may cause this Government to exercise its rights under agreement. New Zealand, I understand from Press, further considers question Monday. Cannot see how matter could be determined by arbitration.

The CHAIRMAN, Eastern Extension Company, London, to the POSTMASTER-GENERAL, Sydney.

30th October, 1886.

I HAVE received your telegram of this date, and now send you copy of the reply I have forwarded to Sir Julius Vogel's further telegram. We have previously asked for your good offices towards bringing about an amicable arrangement, and I am still hopeful that your influence will be used with the view to an early settlement of the question.

The POSTMASTER-GENERAL, South Australia, to the EASTERN EXTENSION COMPANY, London.

29th October, 1886.

WOULD suggest for Chairman's consideration that Victoria or Sydney be asked to mediate. Can I do anything to assist this?

The CHAIRMAN to the POSTMASTER-GENERAL, South Australia.

30th October, 1886.

THANKS for your kind offer. I have already asked the Victorian and Sydney Governments to use their good offices towards bringing about satisfactory arrangement, and I should be glad if your Government would use their influence in the same direction. Present position has been forced upon us by the arbitrary action of the New Zealand Government. Responsibility must, therefore, rest with them.

The POSTMASTER-GENERAL, New South Wales, to the EASTERN EXTENSION COMPANY, London.

30th October, 1886.

WILL collect increased rates New Zealand cable under protest. Consider company acting illegally in raising tariffs.

The CHAIRMAN to the POSTMASTER-GENERAL, Sydney.

1st November, 1886.

I HAVE received your telegram of 30th, and am sorry to find you consider we are acting illegally. As already told you, we are acting on the highest legal advice, and have been forced into the present position by the arbitrary action of New Zealand Government. We cannot believe that the telegraphing public will be willing to bear not only the increased cable charge, but the excessively high terminal rate imposed by New Zealand in the face of the company's offer to give a 5s. tariff for ten words, and 3d. per word for the Press for the additional five years' subsidy sanctioned by New Zealand Parliament.

We still hope the good offices of your Government, Victoria, and South Australia will lead to an early and amicable settlement of the question.

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

1st November, 1886.

*Nelson Mail* says: "Colonial Treasurer's dispute with company come to head; Government refusing to give amicable consideration latest terms proposed by company, latter decide to raise rates. Vogel fought his hardest, but his opponents altogether too powerful, besides occupying commanding position. No doubt about the result now, as public will not stand heavy rates. Best for Government to admit that they have been too exacting and come to terms with the company at once."

The AGENT, Sydney, to the EASTERN EXTENSION COMPANY.

1st November, 1886.

HAVE distributed following Wellington telegram to Australian Press: "At meeting of Cabinet to-day New Zealand Government have decided to impose a terminal charge on inward messages of four shillings for the first ten words and five pence for each additional word. It is expected this will cover increase on outgoing messages."