

“If, however, the Government really desire to have the communication in their own hands, notwithstanding the disappointing results above indicated, it would, I venture to submit, be better policy for the Government to take over the existing lines, which the company would be quite willing to dispose of on reasonable terms. Should, however, the Government’s object be to secure reduced tariffs over the New Zealand cables, this might very easily and satisfactorily be obtained by New Zealand taking part in the Australasian guarantee arrangement, in which case the colony would not only reap the benefit of the cheap tariff prevailing between Australia and Europe, but would also receive the substantial reductions arranged between Sir Dillon Bell and myself at the Paris Telegraph Conference for the intercolonial and international traffic passing over the New Zealand cables. The value to New Zealand of these reductions cannot be estimated at less than £14,470, to which must be added the saving of the loss (£9,856) above shown, making together £24,326; whereas, the contribution that New Zealand would have to make towards the guarantee would only be £5,755, or if she also contributed towards the cable-subsidies and South Australia’s guarantee, on the principle arranged at the Sydney Conference, held in March, 1891, the amount would be £14,842. Consequently it would be advantageous to New Zealand to join in the guarantee agreement, whichever basis were adopted.

“I have, &c.,

“The Agent-General for New Zealand.”

“JOHN PENDER, Chairman.

No. 2.

The MANAGER in Australasia for EASTERN EXTENSION TELEGRAPH COMPANY to the Hon. the POSTMASTER-GENERAL, Wellington.

Eastern Extension Australasia and China Telegraph Company (Limited),
Wellington, 23rd July, 1892.

SIR,—

I have the honour to forward you the following reply just received from London respecting the proposed reduction of tariffs over the New Zealand cables:—

“London, 21st July.

“Chairman and Board are glad to learn that Ministers recognise company’s claim as pioneers, and do not desire treat them unfairly, and with view meeting Government’s wishes as far as possible they are prepared to reduce both intercolonial and international tariffs over the New Zealand cables as desired by the Postmaster-General, accepting one-fourth of risk of loss, on condition that the Government guaranteed remaining three-fourths, and take part with Australia in the general guarantee arrangement.

“The one-fourth risk on proposed large reductions is proportionated about same as half risk on general guarantee.

“The value of the intercolonial traffic, based on the average of the last three years, is £22,326, and the Government’s liability of three-fourths risk of loss, if no increase of traffic takes place, would be £10,949. If the traffic increased 50 per cent., it would be reduced to £8,050. 100 per cent. would reduce it to £5,154, and 188 per cent. would practically extinguish it.

“The value of the international traffic on the same basis is £3,932, and the Government’s liability on three-fourths would be £2,211, if no increase of traffic resulted.

“With an increase of 25 per cent. it would be reduced to £2,126; 50 per cent., £1,842; 100 per cent., £1,474.

“In the event of New Zealand not being able to arrange with the other colonies for sharing in the general guarantee, the company would reduce the international rates separately on a guarantee arrangement similar to that with Tasmania, but without giving Government the power to further reduce the tariff, except with the company’s consent.

“From experience gained elsewhere, the company cannot share the Postmaster’s view respecting the effect of a penny rate for separate newspapers, but are willing to try it, as desired.”

Should you wish to communicate with the other colonies by cable, instructions will be given to pass all your telegrams free of charge.

I have, &c.,

W. WARREN,

The Hon. the Postmaster-General, Wellington.

Manager in Australasia.

No. 3.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTERS-GENERAL, Sydney, Melbourne, Hobart, and POSTMASTERS-GENERAL, Adelaide and Perth, W.A.

(Telegram.)

Wellington, 28th July, 1892.

EASTERN Extension Telegraph Company approached Government with desire arrange reduction New Zealand-Sydney cable rates. Company’s general manager for Australasia now here. Am of opinion substantial reduction essential in interests present users cable, as well as induce large domestic business. I therefore proposed to company a rate of threepence per word for international, and two shillings for first ten, and threepence each additional word for intercolonial messages, and asked what proportion of the loss it would bear. Company replied that it would accept the reduced rates, and bear one-fourth the loss, on condition that this colony guarantees remaining three-fourths, and take part with Australia in the general guarantee arrangement. The value of the New Zealand-Sydney cable traffic based on the average of last three years is stated by the company at £22,326 intercolonial, and £3,932 international—a total of £26,258; and New Zealand’s three-fourths liability at £13,160, and the company’s fourth at £4,387, if no increase of traffic takes place. The company’s proposals are very reasonable, and if other colonies will join