

No. 26.

Mr. CRACKNELL, Superintendent of Telegraphs, Sydney, to the SUPERINTENDENT of TELEGRAPHS, Wellington.

(Telegram.)

Sydney, 30th January, 1886.

CAN you expedite matters *re* cable subsidy? Time nearly expired.

Dr. Lemon, Wellington.

CRACKNELL.

No. 27.

The CHAIRMAN, Eastern Extension Company, London, to the Hon. the PREMIER of NEW ZEALAND, Wellington.

(Telegram.)

London, 30th January, 1886.

OUR efforts to obtain reduction of Indian transit rate having failed, we have earnestly considered how we could best meet wishes of the colonies for reduced tariff; and with every desire to cheapen telegraphy, knowing that existing high tariff must restrict business, we cannot see our way to make substantial reductions without some assistance from colonies. Our dividend to shareholders is a small one considering risky nature property and uncertainty life of cables, our reserve fund being as yet quite unequal to meet renewals, which will be absolutely necessary sooner or later. My company would, however, be prepared to offer to the colonies a reduction of two shillings and threepence per word, making, with the reduction promised by South Australia, two shillings and sixpence per word; provided the non-contributing colonies would share a cable subsidy of thirty-two thousand four hundred pounds per annum, and join the contributing colonies in extending it for six and a quarter years, making, with unexpired term, twenty years from present time. The proposal has been submitted to Agents-General of contributing colonies, who have recommended it to the favourable consideration of their Governments, based upon the population census of 1881. The sum your colony would have to contribute would be about five thousand seven hundred pounds per annum; whereas the advantages you would derive would be a reduction of two shillings and sixpence per word on ordinary, four shillings and fourpence on Government, and five shillings and threepence on Press telegrams, which, calculated on existing traffic, represents a saving of about ten thousand six hundred pounds per annum to your colony. These reductions are so substantial that they should have an important influence in developing the trade of the colonies; and hope your Government will see the advantage of accepting the proposal. The reductions would involve an immediate loss to the company of nearly forty thousand pounds per annum, even after allowing for the same growth of traffic we have hitherto experienced, and consequently it would take some years before we could recoup ourselves. We are trying to bring about a much larger reduction for the Press than that above named, and if non-contributing colonies would join in subsidy contribution it would greatly facilitate our negotiation with the Administration now stopping the way. This is the cheapest and easiest method of obtaining reduced rates, with an efficient communication between the colonies and the Mother-country.

JOHN PENDER,

The Hon. the Premier of New Zealand,
Wellington.

Chairman, Telegraph Company.

No. 28.

Dr. LEMON to Mr. CRACKNELL, Superintendent of Telegraphs, Sydney.

(Telegram.)

Wellington, 1st February, 1886.

THE company submitted an ultimatum to the Postmaster-General, which he refused to entertain, and asked the Agent-General to call for tenders from principal makers to ascertain price of making and laying new cable. This was cabled to your Postmaster-General.

Mr. Cracknell, Sydney.

C. LEMON.

No. 29.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. Sir J. VOGEL.

(Telegram.)

Sydney, 5th February, 1886.

FOLLOWING telegram received from Mr. J. Pender, Chairman, Eastern Extension Telegraph Company, London; and I shall be glad of an early expression of your views on the subject, namely: "Our efforts to obtain reduction of India transit rate having been unsuccessful, we have earnestly considered how we could best meet wishes of the colonies for reduced tariff; and, with every desire to cheapen telegraphy, knowing that existing high tariff must restrict business, we cannot see our way to make substantial reductions without some assistance from colonies. Our dividend to shareholders is a small one considering risky nature of property and uncertain as to life of cables, our reserve fund being as yet quite inadequate to meet renewal, which will be absolutely necessary sooner or later. My company would, however, be prepared to offer to the colonies a reduction of two shillings and threepence per word, making, with the reduction promised by South Australia, two shillings and sixpence per word, provided the non-contributing colonies would share in the cable subsidy of thirty-two thousand four hundred pounds per annum, and join the contributing colonies in extending for six and a quarter years, making, with unexpired term, twenty years from present time. The proposal has been submitted to Agents-General of contributing colonies, who have expressed themselves willing to recommend to the favourable consideration of the Governments. These reductions are so substantial that they should have an important influence in developing the trade of the colonies, and I hope your Government will see the advantage of accepting the proposal. The reductions would involve an immediate