

munication which he received from the Indiarubber, Guttapercha, and Telegraph Works Company, respecting that company's offer, by which you will observe that, if the company adopted a description of cable such as Mr. Preece would approve, their quotation would be increased from £146,000 to £170,000.

I attach a copy of a cablegram which I thereupon sent to you.

The Hon. the Postmaster-General, Wellington.

I have, &c.,
F. D. BELL.

Enclosure in No. 51.

PREECE objected Silvertown offer. Tender amended: £170,000.

To Treasurer, New Zealand.

No. 52.

The Hon. the POSTMASTER-GENERAL, Queensland, to the Hon. the POSTMASTER-GENERAL, New Zealand.

(Telegram.)

Brisbane, 31st March, 1886.

No likelihood at present of this Government joining in connection cable Australia-New Zealand. Pender's proposal was refused by us.

The Hon. the Postmaster-General, New Zealand.

T. MACDONALD PATERSON.

No. 53.

The CHAIRMAN, Eastern Extension Telegraph Company, London, to the Hon. Sir J. VOGEL, Wellington.

(Telegram.)

London, 31st March, 1886.

REFERRING to my telegram of the 5th February and your reply of 25th March, communicating your Government's decision, I regret that they do not take a broader and more appreciative view of the telegraphic enterprise shown by my company. You negotiated and arranged the terms for present cable between New Zealand and Australia, and know why the cost was so much in excess of what the cable could be laid for to-day. It would not be in the interest of New Zealand or Australia to lay an opposition cable in face of the proposals for reduction of tariff which the company have offered to make. If, however, your Government decide to have a cable of its own, we are prepared to sell the existing line at a price to be fixed by arbitration. I have already informed you that the income of the cable is not such as to give the company, after setting aside the necessary amortization for replacing it, and without any cost for repairs, more than enough to pay working expenses. I beg that you will communicate this telegram to the Press of New Zealand, as I purpose doing so to the Press of Australia.

JOHN PENDER,

Chairman, Eastern Extension Telegraph Company.

Sir Julius Vogel, Commissioner of Telegraphs, New Zealand.

No 54.

The SECRETARY, Posts and Telegraphs, Wellington, to Mr. PENDER, Eastern Extension Telegraph Company, London.

(Telegram.)

Wellington, 2nd April, 1886.

THE Postmaster-General, in reference to your telegram of the 31st ultimo, wishes to say that he does not know why the cost of the cable was, as you state, so much in excess of what the cable could be laid for to-day, and he would be glad of an explanation of the causes to which you refer. He would also like to know what price you would take for the cable, and whether you could guarantee its condition.

W. GRAY,

John Pender, Esq., Chairman Eastern Extension Company, London.

Secretary.

No. 55.

Mr. PENDER to Mr. GRAY, Wellington.

(Telegram.)

Sydney, 7th April, 1886.

I HAVE received your telegram, and have nothing to add to my former remarks. The Postmaster-General, having negotiated the contract for the existing cable, is as well acquainted with all the details as I am. I have already stated that the traffic has not up to the present time been remunerative. It would be much less so if the Government entered into competition with us—a competition which might lower the rates for a time, but which would not permanently benefit the telegraphing public, and might prevent the development of important works by private enterprise; and I cannot believe that such a course would commend itself to the other Governments, who we are assured are quite satisfied with the efficient telegraphic service which the company have provided for the colonies. If, however, your Government has determined to oppose us, we are prepared, rather than enter into competition, which would be disastrous alike to the Government and the company, to sell