

cable, but the guarantee principle can only be dealt with as part of the general guarantee proposals submitted by the company to New Zealand and the other colonies. As a last resource, and to show our earnest desire to bring about an amicable solution of this vexed question satisfactorily to all parties, the company are prepared to refer it to arbitration in the usual manner, to be held in London. As the company have incurred considerable loss by the long delay that has already taken place in coming to an arrangement, I should feel obliged if you would give me an early reply to the above proposal.

Sir Julius Vogel, Wellington.

CHAIRMAN, EXTENSION COMPANY.

No. 85.

The Hon. Sir J. VOGEL to the Hon. F. D. SUTTOR.

(Telegram.)

Wellington, 17th October, 1886.

HAVE sent following telegram to Chairman of company, in reply to theirs of 22nd:—

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Hon. F. B. Sutor, Postmaster-General, Sydney.

JULIUS VOGEL.

No. 86.

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

(Telegram.)

Wellington, 27th October, 1886.

IN reply to your telegram, the idea of continuing the subsidy is quite foreign to intention of the contract, and, as the Government see nothing about which to arbitrate, your proposition to that effect declined.

JULIUS VOGEL,

Chairman, Eastern Extension Company, London.

Postmaster-General.

No. 87.

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

(Telegram.)

London, 27th October, 1886.

I HAVE received your telegram. Your Government have declined arbitration notwithstanding their having obtained the sanction of Parliament for the extension of the subsidy for five years. The company have no alternative but to raise the tariff for intercolonial telegrams passing over the New Zealand Cable to 10s. per ten words from 1st November, in order to recoup the loss of subsidy. I stated the whole case to the shareholders at the half-yearly general meeting held to-day, and they unanimously approved of decision to raise tariff.

For extract from report of meeting, see No. 154, p. 29.

The Hon. Sir Julius Vogel, Wellington.

CHAIRMAN, EASTERN EXTENSION.

No. 88.

The POSTMASTER-GENERAL, Wellington, to the Hon. F. B. SUTTOR.

(Telegram.)

Wellington, 30th October, 1886.

CHAIRMAN Cable Company announced raised rates on Monday. What course shall you pursue? We have replied as follows. (See telegram below.)

JULIUS VOGEL.

No. 89.

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

(Telegram.)

Wellington, 30th October, 1886.

IN reply to your telegram, when you were offered terms authorized by Parliament you refused to accept them. I now protest against increased rates without notice from international, and shall report course you have taken. Meanwhile, give you notice if you raise rates on Monday that we require terminal charge four shillings ten words, and fivepence each word additional on all inward intercolonial messages.

JULIUS VOGEL.

The Chairman, Eastern Extension Company, London.

No. 90.

The Hon. F. B. SUTTOR to the Hon. Sir J. VOGEL.

(Telegram.)

Sydney, 30th October, 1886.

HAVE wired Cable Company regret decision to raise rates, which may cause this Government to exercise rights under agreement. Have determined to collect increased rates on Monday. If imposed under protest to avoid risk of detention of messages and possible injury to business people, cannot see way at present to further increase rates by making terminal charges here.

Sir Julius Vogel, New Zealand.

F. B. SUTTOR.