

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

28th September, 1886.

CONSIDER Government can under agreement cease to provide accommodation at termini, and can increase land rates if tariff raised. Trust you will withdraw proposal, which may cause trouble and inconvenience, and may prevent further negotiations between other colonies.

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

28th September, 1886.

HAVE received your telegram and now send you a copy of the reply I have addressed to a telegram received from the New Zealand Government, which please accept as an answer to yours. The company appreciate the disposition your Government have shown to meet their views, and hope you will use your influence towards bringing about a satisfactory arrangement.

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

28th September, 1886.

I have telegraphed Postmaster-General of New South Wales to-day suggesting action regarding New Zealand cable. I would suggest your company postponing increased rates for another month pending these negotiations.

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

28th September, 1886.

I have to thank you for your telegram announcing that you were using your good offices towards bringing about an amicable arrangement. I send you copy of reply I have forwarded to a telegram received from the New Zealand Government, from which you will see that the company are prepared to postpone raising the tariff if the New Zealand Government will reconsider proposals for renewal of subsidy. I have instructed Warren send you copy of whole correspondence on subject.

The EASTERN EXTENSION COMPANY to the AGENT, Tasmania.

28th September, 1886.

HAVE received your various services. Chairman has replied direct to Victorian Postmaster's telegram, and wishes you send him copy whole correspondence. See Chairman's reply of this date to telegram from Vogel, and forward copy to press for publication. Instruct Knevett, Squier, Browning do likewise.

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

28th September, 1886.

VICTORIAN Government telegraphs Sydney Government that they take considerable interest in present negotiation; are unfavourable to second Zealand cable if reasonable terms acceptable to company; they propose all colonies contribute to Tasmanian, New Zealand, and Darwin cables, and, if New Zealand refuses her fair share, suggest contributing colonies consider advisability of charging her proportionately higher rates for her messages over Darwin and Tasmanian cables. Will support Sydney Government in any action in this direction.

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

29th September, 1886.

ALL Melbourne papers to-day say Victorian Government favourably disposed towards company, and condemn Vogel's action. Dreham, Postmaster-General, considers all colonies should be asked support all cable subsidies on basis of population. General wish that company should defer increased tariff for another month, to allow time to negotiate satisfactory arrangements to all parties. Dreham is also of opinion that, if Vogel persists in not listening to reason, New Zealand should be made to pay higher rates over Port Darwin and Tasmanian cables, as at present they contribute nothing. Also suggests that Queensland be asked to join in general subsidies. Vogel's threat to lay another cable unpopular, and will not be supported, as company is willing to supply facilities on moderate terms.

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

30th September, 1886.

Sydney Postmaster telegraphed VOGEL following.

"Have wired company in similar terms to yours—hope matter may be arranged. Could not attend Conference at Wellington at present if one were held."

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

1st October, 1886.

FOLLOWING minute by Cracknell: "Easiest way out of difficulty would be to accept company's offer and renew subsidy for five years, in which case proposed reduction would come into force at once, or continue as at present until 1st January, and commence payment of subsidy from date. I suggested sending telegram at once to New Zealand requesting their concurrence, so that public may not be inconvenienced by prohibitory tariff. This resulted in following telegram:—