

1900.

NEW ZEALAND.

## NEW ZEALAND IRONSAND:

FURTHER CORRESPONDENCE BETWEEN THE GOVERNMENT AND THE ESTEVE STEEL COMPANY.

[In continuation of H.-45, 1899.]

*Presented to the House of Representatives by Leave.*

## No. 1.

MEMORANDUM for the AGENT-GENERAL FOR NEW ZEALAND, London.

Premier's Office, Wellington, 31st July, 1899.

REFERRING to memorandum, No. 1257, of the 9th of June last, transmitting copy of a letter dated the 5th of the same month from the secretary to the Esteve Steel Company, furnishing information as to the results obtained from the sample of Taranaki ironsand which was sent to the company last year, I shall be obliged by your ascertaining the cost of the experiments, furnace, &c., as well as the terms and conditions of the agreement which are referred to in the last paragraph of the letter from the secretary to the company.

R. J. SEDDON,

The Agent-General for New Zealand, London.

Premier.

## No. 2.

MEMORANDUM from the AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
17th October, 1899.

REFERRING to my memorandum, No. 1930, of the 25th August last, I beg herewith to transmit copy of correspondence with the Esteve Steel Company with respect to experiments which the company propose to make with New Zealand ironsand, and the terms of the agreement by which, in case the experiments were successful, the Government would acquire the processes in New Zealand. The company estimate that the cost of the necessary experiments would be about £1,000. Any such expenditure would, of course, be under the Government's control, and could be discontinued in case the expert watching the experiments on behalf of the Government considered it unnecessary to proceed with them.

As regards the agreement under which the Government would acquire the right of the processes for New Zealand, the company represent that as the experiments would disclose them to the Government the agreement must provide for the purchase of the processes, provided the experiments are successful. The company therefore require that in case high-class tool-steel is proved to be producible from New Zealand ironsand as good and as cheap as Sheffield crucible steel the Government must purchase the process, and they fix the purchase-money at £25,000. Again, the company required that if it is proved that steel is producible from the sand as good and as cheap as ordinary Siemens steel the process must be purchased by the Government, and the price they ask is the payment of £40,000 cash and of the royalties indicated in the company's letter of the 16th instant.

As it was possible that the Government might wish to take initiatory steps in the matter before Parliament prorogued, a cablegram giving the substance of the company's proposals was transmitted to you yesterday.

WALTER KENNAWAY

The Hon. the Premier.

(For the Agent-General for New Zealand).