

If Mr. Anderson was assured that the New Zealand Government would entertain the idea of making an offer, he (Mr. Anderson) would then approach the Peninsular and Oriental Company for the purpose of ascertaining whether that company would join the Orient Company in extending the service to New Zealand so that there would be a weekly service.

Mr. Anderson also expressed an opinion that the Imperial authorities would also assist in establishing such an extension.

Mr. Anderson would therefore submit to the Agent-General whether, under the circumstances, he would think it desirable to inform his Government of the Orient Company's willingness to entertain such a proposal before the Government complete a contract under the terms mentioned in the above telegram.

The Agent-General.

WALTER KENNAWAY.

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Enclosures 2 and 3 in No. 94.

[See Nos. 91 and 92.]

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Enclosure 4 in No. 94.

The SECRETARY to the AGENT-GENERAL to the CHAIRMAN, Orient Steam Navigation Company.

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

12th September, 1899.

Referring to your interview with me on the 8th instant, I am directed by the Agent-General to transmit copies of cablegrams which have passed between the New Zealand Government and himself with respect to the proposed mail-service between Australia and New Zealand, by which you will see that the Government are desirous of ascertaining the approximate amount for which your company would be prepared to undertake the service required.

In case your company proceed in the matter, the Agent-General will on hearing from you telegraph to his Government any particulars you may wish to communicate.

I am, &c.,

J. G. S. Anderson Esq.,

WALTER KENNAWAY.

Orient Steam Navigation Company, 13, Fenchurch Street, E.C.

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Enclosure 5 in No. 94.

[See No. 93.]

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Enclosure 6 in No. 94.

The CHAIRMAN, Orient Steam Navigation Company, to the SECRETARY to the AGENT-GENERAL.

DEAR SIR,—

5, Fenchurch Avenue, E.C., London, 14th September, 1899.

You have requested me to put in writing the purport of what I said to you at our interview yesterday, and I have now pleasure in doing so.

When Mr. Seddon was here two years ago he called on me, and expressed a wish that the mail-steamers of the Peninsular and Oriental and Orient lines should run on to New Zealand. I was afterwards present at an interview which Mr. Seddon had with Sir Thomas Sutherland, the chairman of the Peninsular and Oriental Company, at which Mr. Seddon expressed the same wish, when Sir T. Sutherland said that the extra mileage involved in going on to New Zealand for the two lines forming a weekly service would be about 130,000 miles, and that the cost of carrying out such a service would be at the rate of from 10s. to 15s. per mile. Further, that the commercial earnings of the service would be but small.

These statements of Sir T. Sutherland were, in my judgment, true at the time, and, the conditions being practically the same, they remain true now.

The New Zealand Government have recently advertised for a service of steamers every four weeks to connect with the Australian Federal mail-service, so as to constitute with the New Zealand service *via* San Francisco a regular fortnightly service.

Under these circumstances I approached you with the suggestion that for the New Zealand Government to enter into such a contract would be to postpone, for the period for which it might be arranged, the possibility of realising Mr. Seddon's ideal—viz., the inclusion of New Zealand in the Australian Federal-mail system.

It appears to me that, provided the Peninsular and Oriental Company were prepared to join with the Orient Company in the matter, and if the New Zealand Government saw their way to pay the necessary subsidy, a satisfactory weekly mail- and passenger-service both ways, connecting New Zealand with this country and with Australia, could be at once started, the ocean steamers going through to New Zealand calling at Wellington and Lyttelton.

As to the amount of subsidy required, I would repeat what I have already written you, that I think £60,000 per annum would be needed for this weekly service—that is to say, £30,000 for the Peninsular and Oriental Company and £30,000 for the Orient.

As I have indicated, it would be necessary that the Peninsular and Oriental and Orient Companies should co-operate, but the relations of the two companies are, I am glad to say, such that I should be hopeful of bringing them into the scheme, provided the requisite subsidy were forthcoming.