

1879.

NEW ZEALAND.

# CONVEYANCE OF GOVERNMENT FREIGHT

(CORRESPONDENCE WITH THE AGENT-GENERAL AND THE NEW ZEALAND SHIPPING COMPANY  
RELATIVE TO THE).

(In continuation of D.-1. and D.-2., 1879.)

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## No. 1.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

SIR,—

7, Westminster Chambers, London, S.W., 19th December, 1878.

Referring to the telegrams, copies of which I herewith attach, respecting the shipment of rails, I have the honor to report to you the circumstances attending the matter to which they refer. In August last I accepted tenders for the supply of over 12,000 tons of steel rails, and, thereupon, entered into communication with the Manager of the New Zealand Shipping Company with reference to their conveyance to the colony.

The contract with the Company provides that all cargo shall be sent by their ships; but as it was obvious that they could not conveniently take so large an amount by their regular traders from London, and as also it was to the advantage of the colony (provided that I could obtain vessels at anything like reasonable rates of freight) that these rails should be shipped from Cardiff and Middlesboro', I asked the Company to waive their right to the strict fulfilment of this provision, so far as to enable me, without the Company's intervention, to charter vessels for the conveyance of such rails as I wished to send from these two ports; at the same time promising them that I would send up for shipment at London a reasonable amount as dead-weight for the ships being despatched with emigrants. The manager, however, did not accept this proposal, and, after some delay, caused by his having to wire out to the colony for instructions, I was compelled to submit to the following arrangement, as being the most favourable one that I could obtain—namely, that the Company should charter such ships as I may require to load at outports, the rate of freight and the ships to be subject to my approval and confirmation, and that I should ship from London such rails as the emigrant ships may require.

The result of this has been that the Company has failed to find me the number of ships I required, as on the first of this month (over three months after I had notified my requirements) more than half the quantity of rails contracted for remained unshipped, with apparently no prospect of ships being provided for them.

Some of the ships they offered were not suitable; for others the rates were too high.

Under these circumstances, I again asked the manager of the Company to allow me to negotiate direct with the owners or brokers for vessels for the conveyance of full cargoes of rails. The answer received, restricting me to the employment of one broker, seemed to me so unwarranted, and so inconsistent with the dignity of the Government, that I declined it. I then felt that, while, on my part, I had been endeavouring to meet the convenience of the Company to the fullest extent, they, on their part, were only inclined to adhere to the strict letter of the shipping contract; and, as the interest of the colony would no longer permit me to continue in that position, I decided to call upon the Company to provide me with ships in accordance with the strict terms of the contract. I therefore sent the manager of the Company six weeks' notice of my requirements for the shipment from London of the rails still in hand. It is apparently of this notice that the Company, as per your telegram of the 10th instant, complain. It is true that the manager of the Company, in reply to my notice, had offered to provide ships at Cardiff and Middlesboro' at certain fixed rates (higher than those which I have hitherto given); but my engagements with the contractors for the supply of rails, &c., are such as to preclude my accepting such an offer, even if it were otherwise expedient to do so.

In the above statement I have confined myself to facts; and I would now add a few remarks with reference to them.

I can see no sufficient reason for the Company refusing to accede to my request that I should negotiate direct with owners and brokers. If I had been able to do so from the first, I quite believe that I could have engaged a sufficient number of ships at my own rates within the time for which I required them. Owners would prefer, I feel sure, negotiating direct with me, and would be far more likely to accede to my terms than if the negotiation was carried on through the Shipping Company.

1—E. 2.