

1883.  
NEW ZEALAND.

DIRECT STEAM SERVICE WITH GREAT BRITAIN  
(FURTHER PAPERS RELATIVE TO).

[In Continuation of Papers presented on the 28th August, 1882.]

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

No. 1.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 9th September, 1882.

I have the honour to forward you the accompanying copy of *Hansard*, containing the debate which took place in the House of Representatives, on the 28th ultimo, on the subject of direct steam communication with England. I also enclose you copy of F.-4, 1882.

You will observe that the resolutions submitted by Government proposed to dismiss from consideration the question of a direct steam postal service, on account of its cost, but to ask the House to authorize the Government to establish a monthly passenger and mercantile service for a period of three years, by suitable steamers, capable of performing the voyage each way in fifty days, at a cost to the colony not exceeding £40,000 per annum. The House, while affirming the desirableness of such a service, saw fit, however, by a majority of sixteen, to limit the cost to a sum not exceeding £20,000 a year. The Government very much regret this decision, but are still sanguine that a subsidy of even £20,000 a year will not prevent the colony from securing a first-class service in every respect.

I also enclose you a copy of an offer made by the managing director of the New Zealand Shipping Company (F.-4A, 1882), and at whose request the offer was printed and laid before Parliament. Mr. Coster undertakes to perform a direct service for £30,000 a year; but I have no doubt that, from pressure of public competition, his company will be prepared to reduce the sum to the maximum fixed by the House of Representatives.

I am unable at present to indicate the course the Government would now desire you should take in obtaining tenders for the service, but by the next mail I trust to be in a position to fully instruct you in the matter.

On behalf of the Government, I have to thank you very heartily for the great care and labour devoted by you to inquiries in Great Britain as to the probable conditions and cost of a service such as was indicated in the recommendations of the Joint Parliamentary Committee which sat during the session of 1881, and especially for the mass of varied information relating thereto which is contained in your letters of the 5th, 17th, and 18th May last. Differences of opinion as to what should be attempted were inevitable in a colony having the extensive seaboard and the many ports of New Zealand; but you will find from the *Hansard* report that, whatever might be the views of the different speakers as to the proposals of the Government, there was unanimity as to the great value of your contributions in aid of the intelligent discussion of the whole subject.

Sir F. D. Bell, K.C.M.G.,  
Agent-General for New Zealand, London.

I have, &c.,  
W. W. JOHNSTON,  
Postmaster-General.

Enclosure in No. 1.

EXTRACT from the JOURNALS of the HOUSE of REPRESENTATIVES, Monday, the 28th day of August, 1882.

*Resolved*, “(1.) That it is not expedient that an attempt should be made for the present to establish a direct steam postal service between England and New Zealand, as the large subsidy which would necessarily be required would more than counterbalance the advantages. (2.) That the San Francisco mail service, now in operation, should be extended for two or three years, if the cost of extension does not exceed the present cost to the colony. (3.) That it is of importance that there should be a monthly passenger and mercantile steam service established between England and New Zealand by suitable steam-vessels. (4.) That the length of the voyage each way should not exceed fifty days. (5.) That any contract should not be for more than three years. (6.) That the cost of such service to the colony should not exceed £20,000 per annum. (7.) The Government are hereby authorized to take the necessary measures to give effect to these resolutions: Provided always that no contract be entered into unless the same shall have been previously submitted to public competition.”

## No. 2.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 2nd November, 1882.

I have to acknowledge the receipt of your letter of the 9th September on the question of a direct steam service, with the accompanying report of the debate in the House of Representatives on the 28th August; and I beg you to accept my thanks for the most handsome terms in which the Government have been pleased to refer to my work in the matter.

As you reserve until the October mail the instructions which you may have to give me upon the resolutions of the House, and as I may get these in a few days, I shall wait till then before submitting any observations of my own; especially as I have been made acquainted with the substance of private cablegrams lately received here, which profess to describe the intended action of the Government, and what I have to say must depend on whether this information is correct.

The Hon. the Postmaster-General, Wellington.

I have, &amp;c.,

F. D. BELL.

## No. 3.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 16th October, 1882.

In continuation of the correspondence that has already taken place in reference to a direct steam commercial service, I have the honour to forward you a memorandum explaining the views of the Government on the subject. While detailing the several points to which they require particular attention, I have at the same time to state that you are not to consider yourself bound to literally carry out the instructions contained in the memorandum, but it is discreet that you should adhere to them as closely as practicable. Deviations, however, will not be objected to if they can be made to suit the views of tenderers without adding to the cost of the service, or impairing the principal object in establishing it—of affording convenient transit at a reasonable cost for second- and third-class passengers.

The form of advertisement for tenders and the amount of information to be given by it are left to your own discretion.

The contract will, of course, be prepared by a competent legal adviser; and I have to say that Mr. Mackrell, who prepared the San Francisco contract, appears to be a person to whom that portion of the business may be intrusted with advantage.

I may state that it is the intention at once to insert an advertisement in the principal Australian and New Zealand papers, intimating that tenders for the direct steam service are immediately to be called for by the Agent-General, and referring intending tenderers to your office for particulars of the service and terms and conditions of contract. It will also be stated that tenders can only be lodged with you.

On receipt of the tenders you will please be good enough to telegraph the result in the form which shall be indicated by the next San Francisco mail, by which I also purpose forwarding you a cypher code, to be used when telegraphing on matters connected with the direct steam service.

I have, &amp;c.,

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

THOMAS DICK,

Postmaster-General.

## Enclosure in No. 3.

MEMORANDUM as to the TERMS and CONDITIONS for a DIRECT COMMERCIAL SERVICE between ENGLAND and NEW ZEALAND, for a Term of Three Years.

1. THE service to be once every calendar month each way, commencing with April, 1883, from London, and from New Zealand in July, on days to be fixed by the Postmaster-General.

2. The vessels employed not to be less than 3,000 tons gross tonnage, and to be approved of by the Postmaster-General.

3. In each calendar month subsequent to July one steamer to leave London and another the final port of departure in New Zealand on days to be fixed in like manner.

4. The contractor to have the option on each voyage of making Auckland, Wellington, Lyttelton, or Port Chalmers the first port of arrival in New Zealand and the last port of departure from New Zealand, with liberty to call before departure at as many of the said ports as the contractor thinks fit.

5. The service to be performed each way within 1,200 hours between London and the first port of arrival in New Zealand, and between the last port of departure from New Zealand and arrival in London.

6. Passengers to be carried at rates not exceeding the following—namely, Second class, £30; third class, £15. Government immigrants at rates not exceeding the following—namely, Statute adults, £15; children above one year old and under twelve years, £9; children under one year old, free. Cargo for New Zealand Government: Ordinary dead-weight, £1 4s. per ton; ordinary measurement, £1 10s. per ton.

7. A preference to be given to the contractor for the carriage of Government immigrants and Government cargo.

8. The probable quantity of cargo per year will be about 14,000 tons.

9. The number of immigrants that the Government propose to introduce into New Zealand from the United Kingdom will be about 2,500 per annum.

10. No guarantee as to the quantity of cargo or number of passengers to be given.

11. All the vessels employed to be fitted with approved refrigerating machinery for the freezing of meat and dairy produce.

12. A fire- and vermin-proof locker for the safe custody of mails to be provided in each vessel; and, in all other respects each vessel to be subject to the same provisions in respect of the receipt, custody, and delivery of the mails as if subsidized for mail purposes.

13. The vessels employed to be exempt from the payment of light- and harbour-dues at the New Zealand ports.

14. Penalties for not sailing to days fixed, and for not performing the voyage within the limited time.

In addition to the above, the contract will, of course, contain such stipulations as are usually contained in such contracts, and are applicable especially in reference to the berthing, diet, &c., of immigrants. A memorandum by the Minister of Immigration, containing his views in reference to immigrants, is enclosed for your information and guidance.

I have, &c.,

THOMAS DICK,

Postmaster-General.

General Post Office, Wellington, 16th October, 1882.

### Sub-Enclosure to Enclosure in No. 3.

#### MEMORANDUM by the Hon. the MINISTER of IMMIGRATION.

OF the new loan it is proposed to allocate a sum of £200,000 to immigration, principally of the nominated class. This sum will, roughly speaking, represent about 10,000 immigrants: of these, about 4,000 will be the result of this year's operations, prior to the time when the steam service will be instituted. The Government estimates that it will require passages for not less than 2,500 statute adult immigrants each year during the three years of the currency of the contract. But if this number should be exceeded in any one year it should be in the power of the Government to diminish it proportionately in the following year, and generally to modify its operations to suit the requirements of the colony.

The general provisions of the previous contract with the New Zealand Shipping Company will form the basis, *mutatis mutandis*, of the steam contract in respect of all matters relating to the comfort, medical attendance, ventilation, conveniences, &c., of the immigrants, and also as to the payment of the passage-money.

The length of notice as to the number of immigrants for whom passages will be required in any one ship will be best arranged by the Agent-General.

The question of calling at Plymouth is one which will require special provision. I presume it will be competent to arrange for steamers to call there for the embarkation of passengers, it being pretty well established that it is inexpedient, for moral, sanitary, and other reasons, to have the immigrants detained in the docks in London.

Under no circumstances should full-paying private passengers be allowed to come out in the same compartments with the Government immigrants.

The contractors should be required without extra cost to distribute the immigrants at the various ports in the colony, either by transshipment under the supervision of an officer of the Immigration Department, or by the ocean steamers proceeding to the several ports. The Agent-General will no doubt endeavour, as far as practicable, so to arrange that immigrants nominated for a particular district should be so grouped together as to sail by a ship going to the port of that district. But it should clearly be the interest of the shippers to send the ship to the port for which there are the most passengers. Under any circumstances the shippers must take all passengers for any port, by any ship, as may be required by the Agent-General; or, failing arrangement with the contractors, the Agent-General can arrange for immigrants to come by sailing vessel without prejudice to the contract. The contractors will thus have the option of taking emigrants, but the Government can send them by direct sailing vessels if they do not agree to the arrangements.

The contract with the New Zealand Shipping Company will be found in Parliamentary Papers, D.-5 of 1878. I would also direct attention to the correspondence which passed between Mr. Macandrew (as Minister of Immigration) and the Agent-General published in D.-1., 1878.

W. ROLLESTON,

Minister of Immigration.

Immigration Office, Wellington, 16th October, 1882.

### No. 4.

#### The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, New Zealand, 4th November, 1882.

As promised by the Hon. Mr. Dick in the concluding paragraph of his letter of the 16th ultimo, I beg to enclose cypher code to be used when communicating by telegraph in the matter of the direct steam service.

I forward, for your information, copy of an advertisement inserted in the principal newspapers in Australia and New Zealand *re* the direct steam service. Since its publication it has been represented to the Government that the time fixed for commencing the service is inconveniently early. It has been urged that June or July should be substituted for April as the date of commencement from London, and that the time for receiving tenders should not be less than two months and a half. These representations have been under the consideration of the Government, and the Hon. the Premier, who is at present in Auckland, will communicate with you by the outgoing mail on this and other matters affecting the direct service.

I have, &c.,

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

EDWARD T. CONOLLY,

(For the Postmaster-General.)

## Enclosure in No. 4.

## NEW ZEALAND GOVERNMENT.

*Tenders for Direct Commercial Steam Service between England and New Zealand.*

General Post Office, Wellington, New Zealand, 19th October, 1882.

As it is found that the arrangements necessary to carry out the original intention of the Government to call for tenders in the Australasian Colonies, as well as in London, for the above service, would cause a serious loss of time, and postpone the initiation of the service indefinitely, it has been determined that only the Agent-General for New Zealand in London shall call for and receive tenders. This decision is made public in order that intending tenderers in the colonies may make their arrangements accordingly.

The following is an outline of the service required:—

1. The service to be once every calendar month, each way, commencing in July,\* 1883, from London, and from New Zealand in October,\* and to continue for three years.
2. The vessels employed to be not less than 3,000 tons gross tonnage.
3. The contractor to have the option on each voyage of making Auckland, Wellington, Lyttelton, or Port Chalmers the first port of arrival in New Zealand and the last port of departure, with liberty to call before departure at as many of the ports as the contractor may think fit.
4. The service to be performed each way within 1,200 hours.
5. Passengers to be carried at rates not exceeding the following: Second class, £30; third class, £15. Government immigrants at rates not exceeding the following: Statute adults, £15; children above one year old and under twelve years, £9; children under one year old, free. Cargo for New Zealand Government: Ordinary dead-weight, £1 4s per ton; ordinary measurement, £1 10s per ton.
6. A preference will be given the contractor for the carriage of Government immigrants and cargo. The probable quantity of Government cargo per year will be about 14,000 tons, and the number of Government immigrants about 2,500 per annum. No absolute guarantee as to quantity of cargo or number of immigrants will be given.
7. All the vessels to be fitted with approved refrigerating machinery for the freezing of meat and dairy produce, and each vessel to be provided with a fire- and vermin-proof locker for the safe custody of mails.
8. The vessels employed will be exempt from the payment of light- and harbour-dues at New Zealand ports.

The above particulars are given without prejudice to a revision or alteration of the terms and conditions of contract which may be finally issued by the Agent-General, from whom further particulars can be obtained.

THOMAS DICK,  
Postmaster-General.

## No. 5.

The Hon. F. WHITAKER to the AGENT-GENERAL.

SIR,—

Auckland, New Zealand, 7th November, 1882.

Last month instructions were sent to you to call for tenders for a direct commercial steam service between England and New Zealand. Since then the subject has again been under the consideration of the Cabinet, and they have come to the conclusion that it would be desirable to extend the time for receiving tenders till the 1st of March, and this will of course necessitate a proportionate extension of the time for commencing the service. The object of this alteration is to afford those in these colonies who may desire to tender a better opportunity of doing so.

I have therefore the honour to request that you will give effect to this alteration, and that you will forward to the Postmaster-General, by the mail leaving England at the end of December, a copy of the advertisement calling for tenders, and a draft of the proposed contract. Except as above, I have nothing to add to the instructions already forwarded to you.

The Agent-General for New Zealand,  
7, Westminster Chambers, London.

I have, &c.,  
F. WHITAKER.

## No. 6.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 17th November, 1882.

STEAM SERVICE. Postpone advertisement, until receipt my letter November seventh.

## No. 7.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

Westminster Chambers, London, 17th November, 1882.

I received this morning the Hon. the Premier's cablegram directing me to postpone advertisements for the intended steam service until I should receive his letter dated the 7th November. This will of course be duly attended to; but I may mention that I have not yet received any orders from you as to the publication of such advertisements.

The Hon. the Postmaster-General, Wellington.

I have, &c.,  
F. D. BELL.

\* April and July respectively in original advertisement.

## No. 8.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 2nd December, 1882.

Adverting to the letter addressed to you from Auckland on the 7th ultimo by the Hon. the Premier, in which it was decided that the date for receiving tenders for the direct steam service should be extended till the 1st March next, I have now to request that you be good enough to receive all tenders forwarded you by cable from the colonies, and deal with them in the same manner as if lodged with you in London on the prescribed form, and also telegraph the particulars, with those of the other tenders, in the manner suggested in my letter of the 16th October last (F82-439). A notice will be published here intimating that you will receive offers in brief by telegram, if they bear the date the 1st March next, and provided the written tenders, in proper form, are deposited with me on or before that date.

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

I have, &amp;c.,

THOMAS DICK,

Postmaster-General.

## No. 9.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 28th December, 1882.

I had the honour to receive together, on the 16th instant, the duplicate of your letter of the 16th October, and the originals of your letter of the 4th November and of the Hon. the Prime Minister's letter of the 7th, relative to the proposed direct steam service. The original of the 16th October only arrived on the 19th instant. I have not had any time, since I received these letters, which I could devote to either of those things; every moment has been taken up with financial matters, and questions connected with the loan, which required a variety of intricate details to be completed with perfect accuracy within a very limited number of days, expiring with the present month and year: and, with every wish to lose no time that I could help about the steam service, I have literally not been able to give the necessary attention to the question.

If the Government had simply directed me to issue an advertisement in the terms of the one published by you in the colony, it would, of course, have been very different. But the nature of your instructions, and the discretion confided to me, placed on me a responsibility of which I could not divest myself, and made it impossible for me to decide in haste a great number of points which, nevertheless, I must decide before publishing any announcement at all. I can only to-day, and almost at the last moment of the mail leaving, refer to one thing in order to show the difficulties that have been passing through my mind. Your advertisement of the 19th October required the service to be performed each way in 1,200 hours, which means an additional speed of close upon one knot on the outward voyage, a thing which (unless every figure in my despatch of the 5th May is a delusion) must make the service impossible to be performed with profit at the subsidy fixed by the House. For me hastily to announce this number of hours as an indispensable condition, seemed to me to be equivalent to saying that no tenders received would ever be accepted; while to determine whether any deviation from this was at all contemplated by you as one of the deviations I might make, and, if so, what should be the extent of the deviation, demanded time for reflection, which I literally have not had.

I do not allude to many other points of equal importance, such, for instance, as the time of starting the service. I feel that I have utterly failed, though not for want of wish on my part, in persuading the Government that it was necessary to contemplate, as a first condition of such a service, the building of the boats that are to perform it. The original announcement in your advertisement that the line was to be started in April, and even now the extended date of July, have proceeded of course on the principle that boats were to be chartered by the contractors: whereas I do not hesitate to say that I think this would be fatal to a successful establishment of the service, and drive out of the field at once any but speculative tenderers.

The Government may be sure that I will do my very best, if only for the reason that I have long devoted myself to the establishment of a direct steam service to the colony. But, while I know all the impatience that is felt in the colony, and thoroughly realize the extreme difficulty in which the Government is placed, I could not do in a hurry, and at a time when I am hard-pressed by other work not less important, what very likely would, if done without adequate care, be extremely likely to end in bringing the whole scheme to grief. I must therefore ask you to be good enough to explain to the Premier how it is that his orders are not obeyed by this mail.

I have, &amp;c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

## No. 10.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 6th January, 1883.

I now transmit to you herewith a copy of the advertisement I have published (*vide* F.-2A), inviting tenders for the proposed steam service.

My letter of the 28th December will have brought before you a few of the difficulties I had in settling the terms of any advertisement that should follow at all closely the lines of yours already published in the colony; while, on the other hand, it was very clear I must follow them closely, unless I was to make deviations which would altogether change the character of your scheme, traversing as it did so many of the conditions I had myself described as being essential. For I could not suppose that the Government had taken elaborate calculations made by me for one kind of scheme and applied them to another entirely different: on the contrary, I was bound to believe that they had seen good reasons

for discarding them in favour of others better suited to the objects they had in view. I have, therefore, made only such deviations as seemed to me unavoidable if we were to hope for any tenders to come in here at all. But I should not be doing my duty if I did not plainly say that, even with these deviations, I cannot for my own part lead you to expect that tenders will come in at anything like the subsidy intended by the House.

I should not like to make this statement without explaining, as shortly as I can, the grounds of it.

1. *As to the time of 1,200 hours.*

You will remember that the time I named for the mercantile steamer on her outward voyage was 54½ days. Now, to reduce this time to 1,200 hours (50 days), you have to overtake about 1,100 miles of steaming, by a higher speed of nearly a knot an hour right through; say, for practical purposes, a knot. This means a very great addition to the coal consumpt. The measure of that addition would vary so widely with the class of ship and engines that no rule could be applied to all alike; but, speaking roughly, to increase the speed by this knot would burn about one-third more coal. The mercantile steamer I described, though 5,000 tons gross, would only have burnt 35 tons a day, steaming 10½ knots, whereas the postal steamer, at a speed of 13½, would have burnt 70, making a difference of more than £40,000 a year; and, although the extra cost of coal in the boats you contemplate would, of course, be much less than that, the excess would still be very serious. Moreover, it is not only extra cost of coal that has to be considered, but loss of freight-earning space. For instance, the Galbraith-Denny boat of 1878, though over 4,000 tons gross, and therefore 1,000 tons larger than your present minimum, had only a cargo-space left of about 1,200 tons after taking in her coal (without allowing for steerage passengers' stores or water); and what a 3,000-ton boat driven at 11½ knots would have left in the shape of cargo-space I have not worked out. It is at any rate certain that the cost of extra coal and loss of cargo-space together, for a 1,200-hours outward voyage, would make a difference of so many thousands a year in working cost that, although I did not feel justified in striking the condition out, it seemed to me absolutely necessary to allow an alternative offer of 1,300 hours. On the other hand, as regards the homeward voyage, a time of 1,200 hours is too long in any case, the difference in steaming distance between outward and homeward being over 1,700 knots, even coming by Magellan Strait, as I have said in the advertisement.

2. *As to time of beginning the service.*

The Government have evidently been under the impression that the first ship of a perfectly regular monthly service could leave London not later than July; but I am myself so sure of this being impossible that I have allowed the tenderers to name a time for the commencement. I cannot think that any really responsible people in this country, with adequate knowledge and experience, would undertake to start a monthly service of 13,000 miles so soon after any possible acceptance of a tender; they could not be expected to make the necessary preparations on the chance of getting the contract, and they certainly would not have time to make them after they got it.

3. *As to size of vessels.*

I need not remind you that the minimum of 3,000 tons, or 1,000 tons less than the minimum proposed by the Steam Committee of 1881, materially affects the proportion of work to subsidy; but I went too fully into that question last year to let me suppose the importance of it had not been fully considered, and therefore I have not deviated from your condition.

4. *As to rates of passage-money and cargo.*

You will see that, while I have adhered to your rate of £15 for Government immigrants, I have allowed the tenders to name a maximum for second-cabin and steerage passengers paying their own fares, and have omitted any rate for Government cargo.

As regards immigrants, unless they can be brought out at £15 there is no inducement for the Government to have them out by steam at all, though, of course, such a rate will reflect itself in subsidy; but, as regards other passengers, while I thoroughly recognize the great advantage of their being able to come out at moderate fares, the fixing of an absolute rate would not only enhance the subsidy much more than in the case of immigrants, but stand in the way of good arrangements for families, and cause difficulties about berthing and dietary which I can hardly think had been foreseen. The fixing of a maximum will, I believe, get all you want.

5. *As to there being no guarantee of immigrants*

I have not felt justified in deviating from this condition, but, if insisted on, I think it will prevent the present establishment of a service. Steam, as I said last May, is sure to come, subsidy or no subsidy; but not steam in vessels of 3,000 tons driven at 11½ knots, under contract to leave on fixed days every month both ways. Such steam can only, in my opinion, be started with a prospect of permanence, under a guarantee, for a certain time, of a fair number of steerage people; and I think the subsidy asked without one would be greatly higher than you would give. The number of steerage passengers who paid their fares in 1881, in all the sailing ships direct, hardly exceeded 1,000; and, although that number grew in 1882 to more than 1,500, I cannot think contractors would be found to fit up steamers as they must be fitted, on the mere chance of Government immigrants being sent by them. I have not inserted a condition that if the number of immigrants proposed for any year was exceeded in that year a corresponding reduction might be made in the year after, because such a provision is inapplicable in a contract without a guarantee; and for the same reason I have not promised "preference" to the contractors. I have also left out the other condition respecting distribution of immigrants upon arrival, as it would only aggravate the difficulty of there being no guarantee: we are now paying £14 7s. 6d. by sailing ship without such a condition, and it could hardly be expected in a steamer with a contract price of only £15. This question of distribution, indeed, is perhaps the most difficult one of all in bringing out immigrants by steam, under any scheme which gives the contractor the choice of ports for first arrival.

I have not overlooked the point of touching at Plymouth for immigrants, but it was not necessary to put it in the advertisement, as it would be well understood here.

The difficulty of refusing a guarantee of immigrants does not extend to the case of cargo. I still

consider the outward cargo to be safe in any case, as a monthly steamer could at best take only a small part of the regular freight; and, as regards homeward cargo, it is only during a certain number of months there would be much risk of leaving empty. I have not named a price for Government freight, because we might sometimes lose by it: for instance, the last 15,000 tons of rails were taken at £1 2s. (without primage) from London, and £1 7s. from Middlesboro'.

6. *As to duration of contract for three years.*

This is evidently not one of the conditions on which it was intended to give me any discretion, and I have not deviated from it. But, if it is insisted upon, I fear it must be fatal to the scheme. I have as yet entirely failed in presenting any idea to the Government of the magnitude of such an undertaking as the first starting of a regular monthly steam service of 13,000 miles, equipped in the only way by which its regularity and permanence could be at all assured. But I am bound to say that I have myself no hope whatever of capitalists in this country embarking upon it for a contract of three years, at any subsidy the House would, with its present views, be inclined to entertain. The organization required for such a service would be immense; the ordinary risks incurred at first would certainly be serious, to say nothing of such accidents as happened to the "Austral;" and, if he only had three years, a contractor could not hope to get his service into proper order for earning profit, before his power to earn it would come to an end. So strong is my conviction of this condition being fatal to tenders from outsiders that I tried to get you a joint offer from the New Zealand Shipping Company and the Shaw-Savill-Albion Company, because they knew the trade, and might, perhaps, take risks which no outside offerer would face; but it came to nothing, and the latter company has, I think, abandoned any idea of making any offer now.

7. *As to draft of contract.*

This is in Mr. Mackrell's hands, and will be done as soon as possible. But there are many points to be compared with others in existing steam contracts, and at the turn of a new year the time of every lawyer in large practice is extremely precious. I have named the 25th January for giving out forms of tender, and the 15th March for the tenders to come in. Meanwhile, the advertisement will direct the attention of shipping circles to the subject.

You are sure to say that I am writing in a discouraging tone. I am sorry for it, but of course must only tell you exactly what I think. The event may prove me to be entirely wrong, and certainly no effort of mine will be wanting if I find there is a chance of any success.

I have, &c.,  
F. D. BELL.

The Hon. the Postmaster-General, Wellington.

## No. 11.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

Westminster Chambers, London, 24th January, 1883.

I regret that I am still unable to send you the completed form of tender and conditions for the steam service, and of the contract, the last drafts of which I received from Mr. Mackrell yesterday. At the last moment we have found that material alterations are required on several complicated points where conditions suited for emigrants in sailing ships are impossible in steamers; and I am not even able to send you the drafts by this mail.

The day after the last mail left with my letter of the 12th instant I received yours of the 2nd December, directing me to receive any tenders which might be sent to me through the cable, and stating that you would give notice in the colony that such tenders, if dated the 1st March, would be received by me, provided written tenders were deposited with yourself by that date. Thereupon I sent you a cablegram saying that I had fixed the 15th March for receiving tenders, which you will most likely have understood as calling your attention to the necessity for extending the date in the colonial advertisements. I was then in hopes of being able to send you the completed forms of tender and contract by this mail, but now the unexpected delay makes it absolutely necessary to extend the time for receiving tenders, because you will not be able in New Zealand to circulate the completed forms in time to get them back before the 15th March. I have accordingly been obliged to take upon myself the responsibility of extending the date for receiving tenders up to the 30th April next, which will give you time to advertise in the Australian Colonies as well as New Zealand, after you shall have received the completed forms by next Brindisi mail. So far as any tenders here are concerned no harm will be done by the postponement.

In my letter of the 12th instant I said that the number of steerage passengers who paid their own fares had grown from 1,000 in 1881 to 1,500 in 1882; but I had not counted the passengers from the Clyde. I now send you the following more detailed particulars.

The New Zealand Shipping Company sent out in 1882 63 ships, aggregating 56,438 tons, and carrying 1,465 passengers, of whom 726 (statute adults) were steerage passengers paying their own fares, exclusive of Government emigrants. Shaw, Savill, and Co. sent out 66 ships, aggregating 61,553 tons, and carrying 1,722 passengers (statute adults), of whom 769 (statute adults) were steerage paying their own fares. The Albion Company sent out 11 ships, aggregating 11,923 tons, and carrying 643 passengers, of whom 575 (statute adults) were steerage, paying their own fares. Thus the three lines together had 140 ships, aggregating 129,914 tons, and carrying 3,830 passengers, of whom 2,070 were steerage passengers paying their own fares.

I am now preparing a statement of the traffic by sailing ships direct in 1881 and 1882, but (for the same reasons which I referred to in my despatch of the 5th May last year) I cannot give more than a rough estimate of the passengers and cargo that went *via* Australia last year. I believe I am pretty correct, however, in saying that the total number of passengers who went out to Australia in P. and O. and Orient and other steamers during 1882, exclusive of Germans carried by Sloman's steamers, and Queensland Government emigrants by the British India line, was as follows: Cabin passengers, first and second class, 5,200; third class, 5,800: total, 11,000.

I do not think more than a very small proportion of the third-class passengers by the Australian lines can have gone on to New Zealand, though certainly a number of cabin passengers did. The first steamer under the New Zealand Shipping Company's recent arrangements leaves London on the 24th instant, and carries sixteen cabin and ninety-five steerage passengers paying their own fares. I should probably have sent a number of Government emigrants by her, but the company would not take them under £16, and I considered it would be very inexpedient, at the moment of calling for tenders to carry emigrants at £15, to create any precedent of a higher rate.

The Hon. the Postmaster-General, Wellington.

I have, &c.,  
F. D. BELL.

### No. 12.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 7th February, 1883.

In my letter of the 6th January I referred to the reason for my not fixing any price for Government cargo in the proposed direct steamers; and I am confirmed in the view I then held, by the following circumstance: When the arrangement was made last July for the conveyance of 15,000 tons of rails and fastenings, ordered under Public Works Memorandum No. 13-82, the shipping companies did not want weight from London; and, after fixing £1 7s. a ton from Middlesboro' and £1 2s. 6d. from London, it became more advantageous for us to ship from Middlesboro', I having reserved the right to choose the port of shipment. At the present time, on the contrary, the shipping companies want weight from London; and, when I gave them notice to ship at Middlesboro', they sent in offers for London ships. We then perceived that, if the freight from London was reduced to £1 1s. 3d. a ton, this would be about equivalent to £1 7s. from Middlesboro'; so I required the companies to take our rails at £1 1s. 3d., which they have agreed to do. The rate in the previous contract was £1 4s., from London, with 5 per cent. primage: the present rate of £1 1s. 3d., with no primage, is about equal to a saving of 4s. a ton, which, on, say, 15,000 tons of rails, comes to £3,000. I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

### No. 13.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 8th February, 1883.

In continuation of my letter of the 24th ultimo, No. 23. on the proposed direct steam service, I cannot say that I feel any more confident now than I did when I was writing on the 6th January, that reliable and acceptable tenders will be sent in here at anything like the subsidy fixed by the House. If I have received correct information as to the vessels now building for the New Zealand Shipping Company, they are not of a class to unite high speed with large carrying capacity, and will therefore be hard to work profitably. There appeared a few days ago in the papers a paragraph stating that the Albion-Shaw-Savill Company were immediately going to build three steamers of 5,000 tons on their own account, but on applying to them for confirmation of this statement I was told that it was premature. Nevertheless it is certain that, if the New Zealand Shipping Company go on with their three vessels, the Albion-Shaw-Savill Company will be obliged in self-defence to build three others of their own, which would be a waste, as only five ships are wanted even for a perfectly regular monthly service, and a sixth would be so much money thrown away. This, however, is not exactly our business; but it all tends in the direction of an ultimate combination of the two companies' interests for a joint tender, or perhaps for a tender from each (keeping their own organization separate) to do an alternate month's service. In the meanwhile, the Albion-Shaw-Savill Company chartered, only yesterday, a fine steamer, the "Westmeath," of 3,190 tons and 1,800-horse power indicated; and I have to-day arranged to send 200 people in her to Auckland direct, at £15 per statute adult.

The Hon. the Postmaster-General, Wellington.

I have, &c.,  
F. D. BELL.

### No. 14.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 9th February, 1883.

It is with great regret that I find myself again unable to send you, in a complete shape, the forms of tender and contract for the steam service. I can only enclose you herewith mere drafts of them.

Illness has unfortunately prevented me from giving attention to them myself; but I was in hopes that Mr. Mackrell would have been able to complete them without revision of mine. I have, however, only received his latest proofs from the printer this morning, and I do not find them in a state to issue as they are, either here or in the colony; I must, therefore, devote myself at once to them, in order to make sure that they go to you, finally revised, by the San Francisco mail. At the same time, whatever alterations there may be will most likely be more in form than in substance, so that, pending the transmission of the revised forms by next mail, you might (if you thought fit) let any intending tenderers see those now sent, on the understanding that they are only drafts.

The Hon. the Postmaster-General, Wellington.

I have, &c.,  
F. D. BELL.



## No. 15.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 22nd February, 1883.

Since writing to you on the 9th instant, the forms of tender and contract for the proposed direct steam service have been finally settled in consultation with Mr. Mackrell and Mr. Dennistoun Wood, Q.C., and I now send you a hundred copies of each by book-post, as well as three copies herein.\* You will find that there is no material variation in these forms from the ones I sent you on the 9th instant, as it seemed to me inexpedient to run the risk of much alteration, in case you should have distributed the latter.

The New Zealand Shipping Company have now issued an advertisement, of which I enclose a copy, announcing the departure of a monthly line of powerful steamers direct. I should think this is likely to be followed by a similar announcement from the Albion-Shaw-Savill Company, which cannot afford to be left out of the trade by steam. It may thus be that what so many have said about "steam coming, subsidy or no subsidy," will happen sooner than any of us thought. In the meanwhile there have been many inquiries for the forms of tender and contract here, and it can hardly be that they should have been made without any intention of tendering.

I have, &amp;c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

## No. 16.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 20th April, 1883.

I have the honour to acknowledge receipt of your several letters noted in the margin (the 6th and 24th January, Nos. 3 and 23; and the 7th, 8th, 9th, and 22nd February, Nos. 54, 55, 56, and 68), in connection with the direct-steam-service question. That of the 22nd February covered the finally revised forms of tender and contract, which have been duly received.

The Government recognize the many difficulties you had to contend with, and the labour involved in the preparation of these documents, which bear marked evidence of very great care and thought having been given to their compilation. I much regret to learn that your illness was so severe as to interfere with the discharge of your duties; and the Government fully recognize that the delay in issuing advertisement and tender forms was wholly beyond your control.

The alterations you have made in the conditions of the contract commend themselves to the Government. Indeed, it was manifest at the outset that you should have discretionary power, as it was found impossible for any set of conditions suitable in all respects to the character of the service and the class of vessels to be employed to be drawn and decided upon in the colony. I have had the forms widely distributed, and forwarded copies to the owners and agents of such steamship lines as I supposed to be in a position to tender. So far, no tender has been received, but I hope several tenders for the service may be lodged with you. Mr. Coster has gone to London in connection with matters relating to the service, and I believe he is anxious to come to an understanding with the Albion-Shaw-Savill Company as to the tendering. If a combination is not possible, there is little doubt a tender will be received from each company. In any case I think it may be assumed that the direct steam service is even now an accomplished fact. Again thanking you for the very great care and attention you have given to this matter,

I have, &amp;c.,

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

THOMAS DICK,

Postmaster-General.

## No. 17.

The AGENT-GENERAL to the Hon. the PREMIER.

London, 30th April, 1883.

Direct Service. No tenders received.

## No 18.

The Hon. the PREMIER to the AGENT-GENERAL.

Wellington, 1st May, 1883.

Direct Service. No tenders received here.

## No. 19.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 19th May, 1883.

When writing you last mail I did not anticipate there would be no response to the advertisement calling for tenders for the direct steam service, and the result has been somewhat of a surprise to the Government. It was believed that one or other of the shipping companies already in the New Zealand trade would have tendered. The nominal subsidy, coupled with the fact that shipowners regard the conditions as most stringent, may have deterred persons from tendering; but it is probable this is not the only explanation for the non-receipt of offers from either the New Zealand Shipping

\* For particulars and conditions of contract, vide F.-2A.

Company or the Albion-Shaw-Savill Company. However, the fact remains that not a single tender has been received. Since the result of the tendering has been made public, however, both Messrs. Gibbs, Bright and Co. and the New Zealand Shipping Company have asked whether the Government would now be prepared to receive offers; and they have been informed that, while offers would be received, the Government could not deal with them until Parliament had an opportunity of considering the whole question of the direct steam service. When this intention is more generally known it is possible other shipping firms may desire to send in offers.

I enclose copy of your telegram intimating that no tender had been received, and mine in reply.\*

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

I have, &c.,

THOMAS DICK,

Postmaster-General.

### No. 20.

Mr. CHARLES E. BRIGHT to the Hon. the POSTMASTER-GENERAL.

SIR,—

Wellington Club, Wellington, New Zealand, 5th May, 1883.

In reference to my conversation this morning, I have the honour to request that you will inform me whether the Government are prepared to enter into negotiations for a direct steam service with London based upon the subsidy of £20,000 per annum; if so, whether such negotiations can be made either through the Agent-General in London or direct with the Government of New Zealand. I am leaving this afternoon for Auckland, where my address will be "Messrs. Cruickshank and Co.," and shall be obliged if you will cause a reply to be sent there.

I have, &c.,

CHARLES E. BRIGHT.

The Hon. Thomas Dick, Postmaster-General.

### No. 21.

The Hon. the POSTMASTER-GENERAL to Mr. CHARLES E. BRIGHT.

SIR,—

General Post Office, Wellington, 11th May, 1883.

I have the honour to acknowledge receipt of your letter of the 5th May, referring to a conversation we had together with regard to a direct steam service, and asking whether, no tender having been made to carry out that service, Government are now prepared to enter into negotiations either through the Agent-General in London or in New Zealand for such service. In reply, I have to inform you that the Government are willing to receive any offer you may desire to make in respect of a direct steam service between London and the colony, but the consideration of any such offer must necessarily be delayed until Parliament has reconsidered the whole question.

I have, &c.,

THOMAS DICK,

Postmaster-General.

Charles E. Bright, Esq.,

Care of Messrs. Cruickshank and Co., Auckland.

### No. 22.

The SECRETARY NEW ZEALAND SHIPPING COMPANY to the Hon. the PREMIER.

SIR,—

Christchurch, 12th May, 1883.

By direction of the Board of Directors of this company I have the honour to crave your reference to a letter dated 8th August, 1882, addressed to the Postmaster-General by our managing director in connection with the establishment of a direct steam service between the United Kingdom and this colony, and to bring under your notice the fact that this company has now running between the colony and England a direct line of full-powered fast steamships, embracing the following magnificent vessels: White Star Liners "Ionic," 4,368 tons, and "Doric," 4,369 tons; Cunard Liner "Catalonia," 4,841 tons; British Shipowners Company's "British King," 3,559 tons, and "British Queen," 3,558 tons. In addition, this company has building three steamers of the highest class, of 4,000 tons register each, and my directors will be glad to know if you are prepared to enter into negotiations and conclude a contract with this company for the conveyance of Government immigrants and cargo on terms to be mutually agreed upon.

I have, &c.,

ISAAC GIBBS,

Secretary.

The Hon. the Premier, Wellington.

### No. 23.

The Hon. the POSTMASTER-GENERAL to the SECRETARY NEW ZEALAND SHIPPING COMPANY.

SIR,—

General Post Office, Wellington, 18th May, 1883.

I have the honour to acknowledge receipt of your letter of the 12th instant, directed to the Hon. the Premier, proposing negotiations between your company and the Government for a contract for a direct service by your steamers between the United Kingdom and this colony. In reply, I beg to inform you that Government will be pleased to receive any offer you may have to make, but that consideration thereof will have to be delayed until the question of a service has again been submitted to Parliament.

I have, &c.,

THOMAS DICK,

Postmaster-General.

The Secretary, The New Zealand Shipping Company,  
Christchurch.

\* Vide Nos. 17 and 18.