

1885.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(PARTICULARS AND CONDITIONS OF PROPOSED NEW CONTRACT AND CORRESPONDENCE AND TENDERS IN CONNECTION WITH RENEWAL OF).

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

No. 1.

PARTICULARS AND CONDITIONS OF CONTRACT.

THE Postmaster-General of New Zealand is prepared to receive tenders for the conveyance of mails between San Francisco and New Zealand, with the Port of Auckland as the terminus, once each way in every four weeks, with a branch service between Auckland and such port in Australia as may hereafter be agreed upon, for a period not exceeding three years from the commencement of the service.

The mails to be carried will be all such mails as the Postmaster-General may from time to time require the contractors to carry to and from such Australian port, Auckland, and San Francisco, the intermediate port of Honolulu, in the Sandwich Islands, and any other place.

The service between Auckland and San Francisco may be performed by not less than two vessels, each being a good, substantial, and efficient screw steam-vessel of the first class, and fully equal to Class 100, A1, Lloyd's Register, and of not less than 2,500 gross registered tonnage, propelled by first-rate engines of adequate power, and having spar-decks, and large capacity for passengers and cargo, and ample ventilation for passing through tropical latitudes; and each vessel will be required to be under the command of a competent captain, having ample experience in the command of screw steam-vessels.

The service between San Francisco and Auckland to be performed in eighteen days, or four hundred and thirty-two hours each way. The branch service between Auckland and Australia to be performed in five days, or such lesser time as the Postmaster-General may appoint, and by such vessels, other than the vessels employed between San Francisco and Auckland, as may from time to time be approved by the Postmaster-General.

Separate tenders for a nineteen days' (four hundred and fifty-six hours) service between San Francisco and Auckland may also be sent in.

The vessels to be employed between Auckland and San Francisco and in the branch service are to be furnished with all necessary machinery, tackle, &c., and to be subject to the approval of the Postmaster-General before being employed.

The Postmaster-General is to have full power to inspect the vessels employed between San Francisco and Auckland, and in the branch service, their officers and crew, and to suspend the use of any vessel which may not be considered satisfactory, or to prevent the employment of any officer, engineer, or crew appearing to him to be ineligible.

The one twenty-sixth part of the subsidy will be paid by the Postmaster-General on the completion of the conveyance of each mail in accordance with the contract, and will be paid at Wellington.

If any vessel shall not be at the port of departure from time to time in due time, and ready to perform the service, a sum of £250, and a further sum of £50 per day, is to be paid by the contractors to, or may be deducted by, the Postmaster-General as liquidated and ascertained damages; but he may remit or reduce these sums if satisfied that the default shall have arisen from causes over which the contractors had no control.

A bonus of £5 will be paid by the Postmaster-General for the delivery of the mails at Auckland or San Francisco, as the case may be, for every hour before the contract time, and a penalty of £4 an hour will be deducted for late delivery.

All subsidies obtained from other countries than Great Britain and her colonies, or any of the Polynesian Islands, except the Hawaiian Islands, for the conveyance of mails are to belong to the contractors, if made under arrangements approved by the Postmaster-General.

The vessels must be provided with safe and convenient places of deposit for the mails, rendered vermin-proof, with locks, keys, and secure fastenings.

The contractors will have to provide the necessary lights and accommodation for sorting and making up the mails on board, with a separate and convenient room on the spar-deck for the purpose, rendering any assistance required for conveying the mails between the mail-room and the sorting-room.

The Postmaster-General is to be at liberty to intrust the custody of the mails to the master or commander of the vessel; and, in case of the officer in charge of the mails being absent, the master or commander is to take them in charge; and the contractors are to be responsible for the receipt, safe custody, and delivery of the mails.

All directions of the officers in charge of the mails are to be attended to so far as the same are reasonable and consistent with the safety of the vessel. The contractors are to have no claim for postage. A suitable first-class accommodation for a Mail Officer or Agent, and one assistant for the Postmaster-General, with a properly-fitted state-room for their exclusive use, is to be provided on board the vessels, and such officers or agents and assistants are to be victualled by the contractors as chief-cabin passengers without charge; and, during the time a vessel may stay at any port except Auckland or San Francisco, such officers, agents, and assistants are to be allowed to remain on board, and are to be victualled by the contractors.

The contractors are not to pay light, pilotage, tonnage, or harbour dues at Auckland.

The contract, or any part thereof, is not to be assigned or underlet without the consent in writing of the Postmaster-General. If the contract be assigned or underlet, or if there be a great or habitual non-performance or non-observance of the contract, and the Postmaster-General shall be of opinion that the contractors are not *bonâ fide* carrying out the contract, he is to be at liberty to determine it without previous notice, with liberty, nevertheless, to the contractors to have submitted to arbitration the question whether or not there was such a great or habitual non-performance or non-observance of the contract as to justify such determination; but the Postmaster-General is to incur no liability in case the determination be not upheld.

The Postmaster-General may except from any such determination any voyage or voyages, and the same shall be completed, and vessels *en route* are, notwithstanding the determination, to complete their voyage; and in these cases the contract is to be considered as terminated when the mails required to be carried, or then being carried, shall have been delivered.

The contractors are to bind themselves to pay to the Postmaster-General the sum of £20,000 by way of liquidated damages in case they shall fail to commence the service, or, having commenced it, shall wilfully refuse or neglect to carry on the same.

The contractors shall, within twenty-one days after notification in writing of the acceptance of the tender, execute a contract under seal with the Postmaster-General embodying the tender and these conditions, or in such other form as the Postmaster-General may decide, and, if required, enter, with two sureties, to be approved by the Postmaster-General, into a joint and several bond in the sum of £20,000.

Any disputes which may arise between the Postmaster-General and the contractors are to be subject to reference.

Tenders are to be made only in the accompanying printed form, and attached to these particulars and conditions, and are to be delivered at the General Post Office, Wellington, on or before Monday, the 7th of September, 1885, sealed up and indorsed "Tender for San Francisco Mail Service," and addressed to the Postmaster-General of New Zealand, Wellington, New Zealand.

The Postmaster-General does not bind himself to accept the lowest or any tender.

[Time subsequently extended to 10th September for tenders for a twenty days' service.]

No. 2.

The Hon. Sir JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 29th August, 1885.

FRISCO service. Shall now be glad to hear from you that your Cabinet agree to contribute £7,000 a year towards cost proposed new service. Have sent you copies conditions of contract, and you will see advertisement calling for tenders in Sydney papers.

The Postmaster-General, Sydney.

JULIUS VOGEL,
Postmaster-General.

No. 3.

The Hon. Mr. NORTON to the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 1st September, 1885.

My Cabinet will gladly consider question of contributing to FRISCO service, terminating here, but are not likely to contribute £7,000 to service terminating New Zealand, and carried here by branch line.

The Postmaster-General, Wellington.

JAMES NORTON,
Postmaster-General.

No. 4.

The MANAGING DIRECTOR, Union Steamship Company (Limited), to the Hon. the POSTMASTER-GENERAL, Wellington.

Union Steamship Company of New Zealand (Limited),
Dunedin, 4th September, 1885.

SIR,—

Re Tenders for San Francisco Mail Service.

I have the honour to inform you that the Directors have given the matter most careful consideration, and they regret that they do not see their way to tender for the service within the limits of time and subsidy specified in the resolution of the House of Representatives, and under which tenders are now called. Should the Government, however, not receive any satisfactory tenders for the service, and they be prepared to negotiate on more liberal terms, the Directors of this company are in a position to undertake the service, and will be ready to enter into negotiations with the Government for its performance.

I have, &c.,
JAMES MILLS,
Managing Director.

The Hon. the Postmaster-General, Wellington.

No. 5.

The MANAGING DIRECTOR, Union Steamship Company (Limited), to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Wellington, 10th September, 1885.

Re San Francisco Mail Service.

I have to express my regret that I cannot yet, on behalf of the Union Steamship Company of New Zealand (Limited), offer to undertake the mail service between Auckland and San Francisco within the terms indicated in the Resolution of the House; but I am willing to negotiate with you for the performance of the service, with a branch service between Auckland and Sydney, on the following basis:—

1. Subsidy to be £30,000 per annum. The Company to receive all contributions from other colonies or countries. Government to assist in securing such contributions.

2. Twenty-day service for three years, to be extended to five years should Company be prepared after two years to shorten voyage to nineteen days.

3. Free of all port charges, including dock charges at Auckland.

Subject to following provisions: (a.) Company to be at liberty to employ any of their present boats to open service, even though not up to contract speed. (b.) Company to be at liberty, if found necessary for docking purposes or for other considerations, to employ a third steamer in the through service, and to extend voyage to Sydney, in lieu of branch service. (c.) Provision to be made for an earlier termination of the contract should it be found impossible to secure satisfactory contributions from other colonies or states.

I have, &c.,
JAMES MILLS,
Managing Director.

Vessels proposed for main line: New s.s. "Mararoa," and vessel equal to "Australia."
The Postmaster-General of New Zealand.

No. 6.

To the Postmaster-General of New Zealand.

SIR,—

I hereby offer to convey mails between San Francisco and Auckland, once in every four weeks (but without branch service between Auckland and an Australian port) during a period of three years, from the date of commencement of the service, on or about the 18th day of November,

1885, and to provide for the service between Auckland and San Francisco at least two ships of the description mentioned in the terms and conditions of contract, on the basis of twenty days between San Francisco and Auckland, for the sum of £40,000 per annum, and payable by the Postmaster-General of New Zealand in respect to each separate mail, but to be subject to deductions as mentioned in the terms and conditions in respect to each mail not conveyed within the contract time. Or between Sydney and San Francisco for the sum of £30,000 per annum by the same boats: I receiving all mail-moneys which I may be able to obtain from the Government of New South Wales in addition to the said sum of £30,000. And, in case you accept either of these tenders, I undertake and agree forthwith to execute a contract, and I further undertake and agree, upon the like request, to execute, together with two sureties, to be approved by you, a bond according to the form mentioned in the conditions of contract.

WILLIAM PEARCE, Shipowner,

Dated this 10th day of September, 1885.

By his Attorney, LEONARD HARPER.

Names, tonnage, and horse-power of the vessels to be employed: s.s. "Australia," 2,737 tons, 500 horse-power; s.s. "Zealandia," 2,730 tons, 500 horse-power.

No. 7.

The Hon. Sir JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 11th September, 1885.

FRISCO service. If we make Sydney terminus, will you pay £14,000, receiving half contributions other colonies? Twenty-five days Sydney. Other details subject your approval. Please reply to-morrow, as Parliament prorogues early next week.

JULIUS VOGEL,

The Postmaster-General, Sydney.

Postmaster-General.

No. 8.

The Hon. the PREMIER, New South Wales, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 11th September, 1885.

IMPORTANT subject your telegram. Will receive earliest possible attention of Cabinet. I will communicate decision next week.

The Postmaster-General, Wellington.

ALEX. STUART.

No. 9.

The Hon. Sir JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 14th September, 1885.

SERVICE Sydney, Auckland, FRISCO with Sydney terminus will cost much more than I anticipated. Thought when last wiring you obtain it for thirty thousand. Now least price seems forty, and if we arrange it should have to ask you pay fourteen thousand, and leave us whole of payments from other colonies. We are not, however, favourable to this arrangement. We prefer another proposal. Sydney, Auckland, Honolulu, there connecting with fine steamers of Spreckles Brothers, known as Oceanic Company, which run steamers twice monthly between Honolulu and FRISCO. Representative of Company here making arrangements with Union Company and Pearce's agents. We are decidedly favourable to this, as it is cheaper, and we think mail service will be better as contractors' influence will obtain railway facilities. The cost is thirty thousand; not exceed twenty-five days. Service Sydney FRISCO, Sydney terminus, boat proceed from there, Auckland, Honolulu, and back. Oceanic boats wait Honolulu FRISCO twenty-four hours without demurrage. Cost thirty thousand, contractors keeping any payments from America, Honolulu. We will recommend this to our Parliament if you will contribute nine thousand, leaving us payments from other colonies. Please reply quickly.

JULIUS VOGEL,

The Postmaster-General, Sydney.

Postmaster-General.

No. 10.

Dr. LOGAN CAMPBELL to Mr. GRAY.

(Telegram.)

Auckland, 15th September, 1885.

ARE you in communication with Pacific Mail Company or Pearce? Only right ought to know Auckland as terminus abandoned, and Government prepared to pay more than £30,000, so that they may tender continuation present service. Reply urgent.

Mr. Gray, Wellington.

LOGAN CAMPBELL.

No. 11.

Mr. GRAY to Dr. LOGAN CAMPBELL.

(Telegram.)

Wellington, 15th September, 1885.

ONLY communicating with those on whose behalf tenders received. Pacific Mail Company did not tender. Prior to departure Australia from FRISCO, the Company, I have been given to understand, definitely decided not to continue service.

Dr. Logan Campbell, Auckland.

W. GRAY.

No. 12.

Dr. LOGAN CAMPBELL to Mr. GRAY.

(Telegram.)

Auckland, 15th September, 1885.

No reason believe Pacific Mail Company will not continue service. Matter of subsidy £30,000 failed to produce tenders. Negotiations now assume character private arrangements. Eminently unjust the Company who has so faithfully carried out present contract should be excluded from the position of tendering under the now altered conditions from those wired to New York, and on behalf of the Company I protest against this treatment, and claim no new contract ought to be concluded without first giving Pacific Mail Company the opportunity of competing.

Mr. Gray, Wellington.

LOGAN CAMPBELL.

No. 13.

Mr. GRAY to Dr. LOGAN CAMPBELL.

(Telegram.)

Wellington, 15th September, 1885.

SIR JULIUS VOGEL desires me to say, in further reply to your telegram, "We are communicating only with those who have taken an interest in tendering, which Pacific Mail Company has not. If you have any offer to make will be happy to consider it."

Dr. Logan Campbell, Auckland.

W. GRAY.

No. 14.

Dr. LOGAN CAMPBELL to Mr. GRAY.

(Telegram.)

Auckland, 15th September, 1885.

WILL wire altered conditions New York if Sir Julius Vogel will give time to receive reply before closing negotiations pending with other intending contractors. Have reason believe Pacific Mail Company desirous continue service.

Mr. Gray, Post Office, Wellington.

LOGAN CAMPBELL.

No. 15.

Mr. GRAY to Dr. LOGAN CAMPBELL.

(Telegram.)

Wellington, 16th September, 1885.

I AM directed to say, in reply to your last telegram of yesterday, that the Postmaster-General is unable to promise you any delay. The Pacific Mail Company has shown no disposition to tender, and there is reason for thinking it is adverse to doing so. Mr. Pearce is acting separately. The whole matter must be laid before the House.

Dr. Logan Campbell, Auckland.

W. GRAY.