

1902.  
NEW ZEALAND.

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# SOUTH AFRICAN STEAM SERVICE

(PARTICULARS OF TENDERS RECEIVED FOR); AND DRAFT CONTRACT WITH THE BLUE STAR LINE STEAMSHIP COMPANY.

*Return to an Order of the House of Representatives dated 10th July, 1902.*

*Ordered, "That there be laid before this House a return showing copies of the draft contract with the Blue Star Line Steamship Company for South African steam service, with full particulars of the tenders received in response to the advertisement calling for same."—(Mr. G. J. SMITH.)*

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## No. 1.

### ADVERTISEMENT.

#### *Steam Service from New Zealand to South Africa.*

TENDERS are invited by the New Zealand Government for a direct steam service between New Zealand ports and South Africa, and for an alternative service between New Zealand ports, Western Australia, and South Africa.

Four loading-ports in New Zealand in geographical order, and three ports of discharge in South Africa—viz., Durban, Port Elizabeth, and Table Bay. The maximum subsidy available for such service is £30,000 per annum. The service to be monthly. The present contract to be for a period of three years. The steamers must be fitted with refrigerators to carry frozen meat and other refrigerated produce. Steamers to be not less than 2,000 tons and not more than 4,000 tons capacity. Their draught when loaded must enable them to discharge at wharves at above ports. Accommodation for passengers and mails will be required. Steamers will require to have accommodation for the conveyance of live-stock. Preference will be given to tenderers offering highest speed and best passenger accommodation. Speed of steamers to be not less than ten knots an hour.

The rates of freight from the various New Zealand ports to be as follows: Wheat, at per ton weight, 30s.; flour, at per ton weight, 30s.; barley, at per ton weight, 32s. 6d.; oats, at per ton weight, 35s.; bran, at per ton weight, 40s.; potatoes in sacks, at per ton weight, 40s.; hay, oaten or meadow, pressed in bales, at per ton of 50 cubic feet measurement, 37s. 6d.; potatoes in boxes, at per ton of 50 cubic feet measurement, 37s. 6d.; frozen meat and dairy produce at current summer rates ruling between New Zealand and London; other goods at proportionate rates at not less than those current between New Zealand and London, from time to time to be fixed by the New Zealand Government.

Contractors tendering for alternative service to state price for cargo for Western Australia discharging at Fremantle. The maximum cargo for Western Australia not to be more than one-fourth and the minimum, if offering, not less than three-sixteenths of the steamer's carrying-capacity.

Marked written tenders, to be addressed to the Secretary for Industries and Commerce, Wellington, or to the Agent-General for New Zealand, London, will be received up to the 14th February proximo. Telegraphic tenders will also be received up to the same date. The lowest or any tender not necessarily accepted.

Wellington, 25th January, 1902.

T. E. DONNE,  
Secretary, Industries and Commerce.

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## No. 2.

The UNION STEAMSHIP COMPANY to the SECRETARY FOR INDUSTRIES AND COMMERCE.

SIR,—

Dunedin, 12th February, 1902.

As agents for the New Zealand and South African Steamship Company, we offer to provide a regular service between this colony and South Africa with three steamers, sailing monthly or as near thereto as possible.

Steamers to be of 3,000 to 4,000 tons gross register, and capable of maintaining nine to ten knots; to have ample refrigerating-space; without first-class accommodation, but to have third-class accommodation fitted if found necessary.

Maximum rates of freight to South African ports to be as per advertisement. Maximum rates to Fremantle not to exceed those quoted to South Africa.

1—H. 27.

Term to be three years, and service to commence in May or within two months after contract signed.

Subsidy to be at the rate of £27,000 per annum, payable monthly.

Option to call at New South Wales port for coal one way when contractors consider it inexpedient to send steamer to Westport or Greymouth for her own coal.

A fourth steamer to be provided when the trade requires more frequent sailings.

I have, &c.,

UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED),  
(James Mills, Managing Director),

As Agents for the New Zealand and South African Steamship Company.

The Secretary, Industries and Commerce, Wellington.

### No. 3.

Mr. HAROLD C. SLEIGH to the AGENT-GENERAL.

28, Gracechurch Street, London, 11th February, 1902.

SIR,—

*Steam Service, New Zealand to South Africa.*

In conformity with the advertisement appearing in the *Times*, dated 28th January, 1902, I beg to make the following tender for the service required:—

*Sailings.*—The steamers to leave New Zealand at intervals of not less than one month.

*Loading-ports.*—The steamers to load at four ports in New Zealand, calling at each in geographical order, and remaining at each port a sufficient time to load cargo offered and booked for that voyage. The Government of New Zealand have the option of naming any four leading ports, always provided that such option is declared and the ports named a reasonable time before the arrival of the steamers in New Zealand. It is understood that these ports are to be such as are usual for these-size steamers to load at.

*Discharging-ports.*—Steamers to discharge at three ports in South Africa—viz., Durban, Port Elizabeth, and Cape Town. The steamers are also to have the liberty of calling at Beira, Lorenzo Marques, and East London should sufficient inducement be offered by shippers in New Zealand to extend the service to these ports.

*Rates of Freight* to be as follows: Wheat and flour, 30s. per ton of 2,240 lb.; barley, 32s. 6d. per ton of 2,240 lb.; oats, 35s. per ton of 2,240 lb.; bran, 40s. per ton of 2,240 lb.; potatoes in sacks, 40s. per ton of 2,240 lb.; potatoes in boxes, 37s. 6d. per ton of 2,240 lb. of 50 cubic feet; hay (oaten or meadow), 37s. 6d. per ton of 2,240 lb. of 50 cubic feet. Frozen meat and dairy produce, together with all cargo carried in insulated chambers, at rates not less than those in existence between New Zealand and London. Horses and fat cattle at £12 10s. per head on number shipped. Other cargoes at rates not less than those by mail companies between New Zealand and London, and as scheduled by the New Zealand Government.

*Steamers.*—Four first-class modern steamers to be employed in this service, to give a dead-weight-cargo capacity of not less than 4,000 tons upon a draught of water which will allow them to discharge alongside the wharves at South African ports where such facilities exist. Steamers to maintain a speed of not less than 11½ knots. Steamers to be fitted with modern appliances for the discharge of cargo. Steamers to be insulated for the carriage of about 500 tons of refrigerated produce. To provide accommodation for thirty saloon passengers as required by the Government. Passenger fittings to be modern and of good design. To be permanently fitted with modern horse fittings on the upper deck for the carriage of horses and live-stock. Space to be provided for the proper carriage of mails.

Provided that sufficient cargo cannot be supplied by the Colony of New Zealand to fill these steamers, then the owners are to have the liberty of calling at Australian ports to fill up at rates not under those quoted herein.

*Port of Registry.*—Steamers are to be registered at a New Zealand port, and are to be victualled and docked as far as practicable in New Zealand, all necessary repairs and renewals being made in that colony if possible.

I beg to offer to maintain the above service in a proper manner for the yearly sum of £30,000, payable in equal instalments upon the completion of each round voyage.

It being impossible to at once commence this service with the actual steamers required, I propose to inaugurate it with first-class cargo-boats, replacing these as quickly as the insulated steamers can be placed in the trade.

I am, &c.,

The Agent-General for New Zealand.

HAROLD C. SLEIGH.

### No. 4.

Mr. HAROLD C. SLEIGH to the AGENT-GENERAL.

28, Gracechurch Street, E.C., 6th March, 1902.

SIR,—

*Steam Service, New Zealand to South Africa.*

With reference to my tender of 11th ultimo, I now beg to advise you that, owing to arrangements since made, I am, if necessary, able to increase the speed of the proposed service to thirteen knots. I shall be obliged by your communicating this to the Government of New Zealand.

I have, &c.,

The Agent-General for New Zealand.

HAROLD C. SLEIGH.

## No. 5.

The SECRETARY FOR INDUSTRIES AND COMMERCE to the Hon. Sir J. G. WARD.

Industries and Commerce Department, Wellington, New Zealand,  
10th April, 1902.

(Memorandum.)

*Tenders for Steam Service to South Africa.*

I HAVE carefully reviewed the tender of the New Zealand and South African Steamship Company for the above service, received in response to the advertisement dated 25th January, 1902. I beg to draw your attention to the following conditions of the tender compared with the conditions contained in the advertisement: Clause in advertisement reads, "Preference will be given to tenderers offering highest speed and best passenger accommodation; speed to be not less than ten knots per hour." The above-mentioned company offers three steamers capable of maintaining a speed of nine to ten knots, without first-class passenger accommodation, but to have third-class accommodation fitted if found necessary. This means slow steamers with the least possible passenger accommodation, which is the reverse of the requirements of the Government as indicated in the advertisement. Then, this company propose to carry on the service with three slow steamers. If monthly sailings are to be maintained this is an absolute impossibility. No doubt the tenderers are aware of this, as they qualify the clause referring to monthly sailings by adding the words "or as near thereto as possible." If the Government accepted the New Zealand and South African Steamship Company's offer to carry on the service with three steamers of the type offered, it would mean a steamer about every seven or eight weeks at most. This would mean paying an annual subsidy for seven opportunities of shipment as against a monthly service which would give twelve opportunities of shipment.

I have also reviewed the tender of Mr. H. Sleigh. The terms and conditions offered by Mr. Sleigh are consistent with the advertisement, excepting that he requires the option of calling at three Australian ports to fill up with cargo for South Africa should the steamers fail to fill in New Zealand. As the Government gives no guarantee of cargo, this is not an unreasonable request, and except as regards a deviation, which should be avoided if possible, I see no grave objection to granting the option. In other respects the tender provides for a very suitable service with many advantages to the colony.

The Hon. the Minister of Industries and Commerce.

T. E. DONNE, Secretary.

## No. 6.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

7th March, 1902.

Referring to your tender for the maintenance of a steam service between New Zealand and South Africa, I am directed by the Agent-General to inform you that he has received a cable-gram from his Government instructing him to ascertain from you at what date you would be able to commence the service.

I have therefore to request you to furnish him as soon as possible with the information required, in order that he may cable it to the colony.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

## No. 7.

Mr. H. C. SLEIGH to the AGENT-GENERAL.

SIR,—

28, Gracechurch Street, 8th March, 1902.

I have the honour to acknowledge the receipt of your letter of yesterday's date. In reply I beg to inform you that I am willing to commence a service between New Zealand and South Africa, in terms of my tender, with cargo-steamers at any time suitable to the New Zealand Government one month after the signing of a contract. Such cargo-boats to be replaced by insulated and properly fitted steamers, as per condition of tender, as promptly as such steamers can be fitted to suit the requirements of the trade and arrive in New Zealand. I anticipate that this will take from five to six months. As the increased speed desired by your Government (thirteen knots) leads to some slight alteration of my arrangements, I am unable at the moment to name an exact time for the arrival of such steamers, but hope to be in a position to do so during next week.

I am, &c.,

HAROLD C. SLEIGH.

The Agent-General for New Zealand.

## No. 8.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

11th March, 1902.

I am directed by the Agent-General to acknowledge the receipt of your letter of the 8th instant, and in reply to inform you that he has been instructed by his Government to state that they could not wait, as you propose, for five or six months for properly fitted steamers; and that, as cargo-boats would be of no use, it is absolutely necessary that steamers such as are described in the conditions specified in the advertisement should be ready on berth in New Zealand within a few weeks after the contract has been signed.

The Agent-General will therefore be glad if you will at once inform him whether you are prepared to comply with the requirements of his Government as stated in the advertisement, and as regards the time within which the service must be commenced with properly fitted insulated steamers.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 9.

Mr. H. C. SLEIGH to the AGENT-GENERAL.

SIR,—

28, Gracechurch Street, E.C., 12th March, 1902.

I have the honour to acknowledge the receipt of your favour of yesterday's date. I shall be glad if you will please cable your Government that I am now in a position to berth the first insulated steamer within four weeks from date. After hearing from you that the contract is ready for signature, I shall then name the steamers which will inaugurate the service.

I am, &c.,

The Agent-General for New Zealand.

HAROLD C. SLEIGH.

It is understood that these steamers comply with the conditions of the advertisement calling for tenders for the service, and that they are to be approved of by the Government of New Zealand upon acceptance of my offer.—H. C. SLEIGH.

### No. 10.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

13, Victoria Street, S.W., 17th April, 1902.

I am directed by the Agent-General to inform you that he has received instructions from his Government to accept your tender for establishing and maintaining a direct steam service between South Africa and New Zealand, subject to the following terms and conditions, namely :—

1. You are to make a cash deposit, to be paid to the Agent-General within seven days from this date, of three thousand pounds (£3,000), such deposit to be refunded on the signing of the contract and of the bond of security specified hereinafter.

2. You are to give satisfactory security to the extent of twenty thousand pounds (£20,000) for the due and proper performance of the contract, such security to continue to exist during the currency of the contract.

3. With regard to the provision contained in your letter of 11th February as to the steamers calling at Australian ports to fill up, such provision to be limited to one port in Western Australia.

4. In all other respects the provisions of the contract to be generally as specified or implied in the advertisement which appeared in the *Times* of 28th January last, and in your letter of the 11th February, subject, nevertheless, to the modifications contained in your subsequent letters of 6th and 12th March last.

5. The deed of contract and security bond to be prepared by the New Zealand Government solicitors, and to be executed immediately on completion.

I am, &c.,

H. C. Sleigh, Esq.

WALTER KENNAWAY.

### No. 11.

Mr. H. C. SLEIGH to the AGENT-GENERAL.

Care of Messrs. Wincott, Cooper, and Co., 10 and 11, Lime Street, E.C.,

SIR,—

24th April, 1902.

Referring to your letter of 17th instant, in reference to the establishment of a direct steam service between South Africa and New Zealand, I beg to enclose you herewith cheque for £3,000.

I make this payment upon the conditions stated in your letter, subject to one qualification—I cannot accept a provision limiting the right of the steamers to call at one Australian port only to fill up. It is necessary that we should have the right to call at three Australian ports, but only for that purpose.

I understand that if, for any reason other than my own default, the contract and security bond are not executed in a form prepared by the Government solicitors and approved by mine, embodying the terms agreed upon between us, the £3,000 will be returned to me.

Please confirm this arrangement in accepting the deposit, and if you are unable to accept it the cheque must be returned.

Yours, &c.,

The Agent-General for New Zealand.

HAROLD C. SLEIGH.

### No. 12.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

25th April, 1902.

I am directed by the Agent-General to acknowledge the receipt of your letter of 24th instant, enclosing cheque for £3,000, and in reference thereto to inform you that he will at

once communicate with his Government by cable for the purpose of ascertaining whether they will agree to the steamers calling at three Australian ports for the purpose only of filling up.

Pending his Government's reply the Agent-General will retain your cheque.

Meanwhile the Agent-General will be glad if you will state for the information and approval of his Government the names of those who you propose shall execute the security bond.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 13.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

29th April, 1902.

Referring to your letter of the 24th instant, and to previous correspondence, I am directed by the Agent-General to state that he, on behalf of his Government, agrees to the steamers calling at three Australian ports after loading in New Zealand, for the purpose of filling up, but for that purpose only.

Messrs. Mackrell, Maton, Godlee, and Quincey (21, Cannon Street, E.C.), the New Zealand Government solicitors in London, have accordingly been instructed to prepare the deed of contract and security bond.

The Agent-General awaits your furnishing him with the names of those who will execute the security bond.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 14.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

*South African Steam Service.*

30th April, 1902.

Referring to my letter of yesterday, I am directed by the Agent-General to inform you that he has since received a cablegram from his Government defining the provision with respect to the steamers calling at Australian ports, to the following effect, namely: "The steamers are to call at one port in Western Australia, as well as to have the right to call at two other Australian ports, provided sufficient freight to complete the loading has not been obtainable in New Zealand."

Messrs. Mackrell, Maton, Godlee, and Quincey have been instructed accordingly.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 15.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

*South African Steam Service.*

30th April, 1902.

Referring to my letter of 29th instant, I am directed by the Agent-General to state that he has been instructed by his Government that it must be provided in the contract that one port in Western Australia must be included as a port of call, as well as the right to call at two other Australian ports, provided sufficient freight to complete the loading has not been obtainable in New Zealand.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 16.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

6th May, 1902.

Referring to my letter of 30th ultimo and to previous correspondence, I am directed by the Agent-General to request you to furnish him, not later than Friday next, with the names of those who you propose shall execute the security bond.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 17.

The AGENT-GENERAL to Mr. H. C. SLEIGH.

SIR,—

8th May, 1902.

Referring to my letter of 6th instant and to your interview with me of to-day, I am directed by the Agent-General again to urge on you the necessity of your at once furnishing him with the names of those who you propose shall execute the security bond, as he sees no ground for your delaying to do so.

H. C. Sleigh, Esq.

I am, &c.,

WALTER KENNAWAY.

### No. 18.

Mr. H. C. SLEIGH to the AGENT-GENERAL.

Care of Messrs. Wincott, Cooper, and Co., 10 and 11, Lime Street, E.C.,  
9th May, 1902.

SIR,—

*South African Steam Service.*

In reference to your letters of the 30th ultimo and the 6th and 8th instant, requesting me to furnish the names of those who will execute the security bond, as pointed out in my personal

interview of yesterday, I regret that I am not in a position to give this information definitely until I am in possession of the draft deed of contract.

A limited company, with an underwritten capital of £200,000, is being formed to carry out the service, and will be prepared to execute the bond. The chairman of this company is Lord Teynham, with an efficient board of directors. If, however, the New Zealand Government prefer to have the bond executed by an independent concern I shall arrange with one of the large guarantee societies to give the required bond, but, as verbally stated to you yesterday, I am not in a position to proceed with my negotiations to this end until the actual contract which will form the basis of the bond is in my hands.

My solicitors are Messrs. Ashurst, Morris, Crisp, and Co., of Throgmorton Avenue, E.C., to whom I refer you, and I shall be obliged if you will kindly request Messrs. Mackrell, Maton, Godlee, and Quincey to send the drafts of contract and security bond to them as soon as prepared.

I am, &c.,

The Agent-General for New Zealand.

H. C. SLEIGH.

### No. 19.

The AGENT-GENERAL to MESSRS. MACKRELL, MATON, GODLEE, AND QUINCEY.

SIRS,—

*South African Steam Service.*

9th May, 1902.

I am directed by the Agent-General to transmit herewith copy of letter received from Mr. H. C. Sleigh since Mr. Maton was here this afternoon, and in reference thereto to request you in communicating with Mr. Sleigh's solicitors to inform them that the New Zealand Government will require the bond to be executed by sureties outside any company formed to carry out the service, such sureties to be approved by the Government.

I am also to say that the Agent-General will be obliged by your forwarding the draft contract and bond to him before submitting it to Mr. Sleigh's solicitors.

I am, &c.,

Messrs. Mackrell, Maton, Godlee, and Quincey.

WALTER KENNAWAY.

### No. 20.

SOUTH AFRICAN STEAM SERVICES.

*Cables.*

To Agent-General, London (5th April, 1902).

SLEIGH's tender, reported posted seventeenth February, not arrived. What has become of it? To whom was it addressed?

From Agent-General to Premier (6th April, 1902).

SLEIGH's tenders enclosed in my despatch of the fourteenth February, No. 4504.

From Premier to Agent-General (17th April, 1902).

CABINET decided accept tender conditionally his making cash deposit £3,000 within seven days, and give you satisfactory security, £20,000, to exist during currency contract for performance thereof. On sureties signing bond, deposit £3,000 to be returned. Other conditions generally on lines of Sleigh's letter 11th February. Only point is question calling Australian ports to fill up. Government are of opinion this should be confined to one port, Westralia. Cable what you do.

Agent-General to Premier (25th April, 1902).

HAVE received deposit £3,000 from Sleigh on condition that contract is to contain clause permitting steamers to call at three Australian ports to fill up with cargo for South Africa.

From Premier to Agent-General (28th April, 1902).

REFERRING to your telegram of 25th April, close with Sleigh thirteen-knot service. Steamers to have right to call in three Australian ports after loading New Zealand, for purpose of filling up, but for no other. Steamers to commence contract early.

Premier to Agent-General (29th April, 1902).

SOUTH African steamboat service: One port in Western Australia must be included in contract, as well as right to call at two Australian ports, providing this colony has not been able to load steamboats.

### No. 21.

CABLEGRAM TO AGENT-GENERAL.

AGENT-GENERAL, London.—South African steam service should stipulate that Fremantle be port of call Western Australia. One port gives option Albany, which would be useless for trade purposes.

Apd. Cable sent accordingly.—26th June, 1902.

### No. 22.

FIRST PROOF OF DRAFT CONTRACT.

THIS indenture, made the                      day of                      , one thousand nine hundred and two, between His Majesty the King, in right of his Colony of New Zealand (who with his heirs and

successors is and are hereinafter referred to as "the King"), by the Honourable William Pember Reeves, of Westminster Chambers, 13, Victoria Street, London, the Agent-General for the Colony of New Zealand, of the one part; and Harold C Sleigh, of , of the other part:

Witnesseth that it is hereby mutually covenanted and agreed between the said William Pember Reeves, for and on behalf of the King, and in order to bind the Government of the said colony, and the said Harold C Sleigh, his heirs, executors, and administrators, as follows, that is to say:—

#### Definitions.

1. In this indenture the following words and expressions shall, unless the context otherwise requires, have the meanings herein given to them: "The Government" means His Majesty the King, his heirs and successors, acting by His Majesty's Government in the said colony. "The Contractor" means the said Harold C Sleigh, his heirs, executors, and administrators. "The Postmasters-General" means the Postmaster-General of the Colony of New Zealand, the Postmaster-General of the Colony of Western Australia, the Postmaster-General of the Colony of Natal, and the Postmaster-General of the Colony of the Cape of Good Hope. "Mails" includes all matter which under the law in force in the said colonies respectively may be transmitted by post.

#### Duration.

2. This contract shall remain in force for the term of three years from the date thereof.

#### Description of Steamers.

##### *Ships to be provided.*

3. The Contractor will from time to time and at all times during the continuance of this contract provide and maintain in a thoroughly seaworthy condition, to the satisfaction of the Government, and despatch on the voyages hereinafter mentioned, not less than four first-class modern steamers of a deadweight-cargo capacity of not less than 4,000 tons, upon a draught of water which will enable them to discharge alongside the wharves at the ports hereinafter mentioned or referred to, where such facilities exist, for the purpose of maintaining a regular monthly service between New Zealand and South Africa in accordance with the terms and conditions hereinafter contained.

##### *Passenger accommodation.*

4. The said steamers shall contain passenger accommodation for not less than thirty saloon passengers, and for such a number of second-class and steerage passengers as the Government may from time to time direct the Contractor to provide. Such accommodation shall be in every respect equal to the accommodation provided for the respective classes on board the first-class passenger steamers running to the said colony from the United Kingdom.

##### *Mail accommodation.*

The Contractor shall provide on board the said steamers such space for the carriage of mails as the Postmaster-General of the Colony of New Zealand may from time to time require.

##### *Refrigerating-machinery and insulation.*

5. The said steamers shall be properly insulated for the carriage of about 500 tons of refrigerated produce, and shall be fitted with modern refrigerating-machinery which shall be at all times maintained in efficient working-order by the Contractor.

##### *Fittings for horses and live-stock.*

6. The said steamers shall have permanent fittings of approved modern design built upon the upper deck for the carriage of horses and live-stock.

##### *Gear for loading and discharging cargo.*

7. The said steamers shall be fitted with approved modern steam or hydraulic appliances for loading and discharging cargo, capable under ordinary conditions of discharging not less than tons of cargo in every twelve hours.

##### *Steamers to be registered in New Zealand.*

8. The said steamers shall be registered at a port in the said colony, and shall as far as possible be victualled, docked, repaired, and refitted in the said colony.

#### Voyages.

##### *Monthly sailing. Loading-ports. Date of first sailing.*

9. The Contractor shall despatch one of the said steamers once in each calendar month from a port (hereinafter called "the port of departure") from time to time named by the Government, and shall call in geographical order at three other ports in the said colony (hereinafter called "the loading-port") appointed by the Government from time to time: Provided always that the Government shall not alter the port of departure or the loading-ports unless the Government shall, not less than four weeks prior to the intended departure of any ship, inform the Contractor or his agent in New Zealand in writing of the ports at which the said ship is to call.

The first steamer shall leave the port of departure on the                      day of                      , 19 .

##### *Sailings to be advertised.*

10. The Contractor shall, at his sole expense, advertise the proposed dates of the sailing of each ship in such newspapers or in such other manner as may be agreed upon, or, in default of agreement, may be appointed by the Government.

*Steamers to call in Western Australia.*

11. The Contractor shall on each outward voyage from New Zealand call at some port in Western Australia from time to time appointed by the Government (hereinafter called "the West Australian port"), and shall, in the event of sufficient cargo not being supplied in the said colony to fill the cargo-space in the said steamers, other than that reserved for cargo for the West Australian port, be at liberty to call at three ports in Australia other than the West Australian port, for the purpose only of filling up such cargo-space with cargo for South African ports.

*Cargo-space for West Australian port.*

12. There shall be reserved in each of the said steamers not less than three-sixteenths or more than one-quarter of the steamer's deadweight-capacity for cargo for the West Australian port: Provided always that if at the time when any steamer leaves the last loading-port there shall not have been shipped, or offered for shipment, upon such steamer sufficient cargo to fill the said three-sixteenths of the deadweight-capacity, the Contractor may, at any port in Australia, ship cargo at his option for the West Australian port or the South African ports as hereinafter defined. [See Note A.]

*Ports of discharge.*

13. The steamers shall discharge at Durban, Port Elizabeth, and Cape Town (hereinafter called "the South African ports"): Provided that if shippers in New Zealand shall offer cargo for Beira, Lorenzo Marques, or East London (hereinafter called "the South African ports of call") to an extent not less than \_\_\_\_\_ of the steamer's deadweight-capacity, the Contractor may direct any steamer to call at all or any of the South African ports of call. [See Note B.]

*Ocean speed to be maintained.*

14. Each voyage shall be completed at an average ocean speed of not less than  $13\frac{1}{2}$  knots. In the event of any steamer failing to attain on any voyage an average ocean speed of  $13\frac{1}{2}$  knots, there shall be deducted from the subsidy payable in respect of such voyage such sum as the Government shall deem reasonable, not exceeding £100 for each half-knot, or less, by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned. The actual average ocean speed for the purposes of this clause shall be ascertained over the whole voyage between the port of departure and Cape Town, and shall be calculated over such portions of the voyage as lie outside the limits of each of the ports mentioned. [See Note C.]

*Rate of loading and discharge. Lay hours.*

15. At all ports other than the port of departure the said steamers shall load at a rate of not less than \_\_\_\_\_ tons an hour, and shall discharge at all ports other than Cape Town at a rate of not less than \_\_\_\_\_ tons an hour, and shall not remain in any port other than the port of departure or Cape Town longer than such a time (hereinafter called "the lay hours") as, calculated as aforesaid, may be necessary to load or discharge the cargo actually loaded or discharged at such port. There shall be deducted from the subsidy payable in respect of any voyage such sum as the Government may deem just, not exceeding £2, for every hour during which any steamer may remain in any port beyond the lay hours: Provided always that in calculating the time in respect of which a deduction from the subsidy may be made the time saved in one or more ports shall be set off against the excess of time occupied in any one or more other ports. The lay hours shall commence when the steamer is in a discharging-berth, and shall end at the time when the steamer is ready to proceed to sea; but the time between midnight on Saturday and midnight on Sunday shall be excluded. [See Note D.]

*Carriage of Mails.**Mails to be carried.*

16. The Contractor will convey all mails which the Postmaster-General, or either of them, shall at any time require the Contractor to convey between the said colony, Western Australia, Natal, and Cape Colony.

*No payment for mails.*

17. No payment shall be made to the Contractor in respect of the carriage of mails, or of any service rendered in connection therewith, other than the subsidy hereinafter mentioned. [See Note E.]

*Responsibility for mails.*

18. The Contractor shall be responsible for all damage or injury to the mails placed on board, however the same may be occasioned—fire, the act of God, and the King's enemies always excepted.

*Accommodation for mail officer.*

19. The Contractor shall, if required by the Government, provide without charge first-class accommodation for an officer in charge of the mails appointed by the Postmaster-General, or either of them, and shall without charge victual such officer as a first-class passenger from the time of his embarkation to the time of the arrival of the steamer at the port of final destination. [See Note F.]

*Cargo.**Rates for cargo to South Africa. Horses and cattle.*

20. The Contractor will receive and carry all cargo and live-stock which the steamers are able to carry between any of the ports in New Zealand and the South African ports at rates not exceeding those hereinafter mentioned, that is to say,—



	s.	d.	
Wheat and flour ... ..	30	0	per ton of 2,240 lb.
Barley ... ..	32	6	" "
Oats ... ..	35	0	" "
Bran ... ..	40	0	" "
Potatoes in sacks ... ..	40	0	" "
" in boxes ... ..	37	6	" 50 cubic feet.
Hay (oaten or meadow) ... ..	37	6	" "

Frozen meat and dairy produce and all cargo carried in insulated chambers at rates not less than those from time to time in existence between New Zealand and London. All other cargo at rates fixed by the Government, but not less than those charged by mail-steamers between New Zealand and London. Horses and fat cattle £12 10s. per head on number shipped. [See Note G.]

*Rates for cargo to West Australia.*

21. The rates charged between the ports in New Zealand and the West Australian port shall not exceed of the rates above mentioned. [See Note H.]

*Payment of Subsidy.*

*Return of voyage to be forwarded.*

22. The Contractor shall, within twenty-four hours of any steamer's arrival at her final port of discharge in New Zealand on the conclusion of each round voyage, forward to a return, in a form to be approved by the Government, which will show the date of departure, the date and hour of arrival alongside and departure from each intermediate port, the amount of cargo discharged and shipped at each intermediate port, the distance run, and the date and hour of arrival at the port of final destination. Such return shall be verified by the production of the steamer's log, or otherwise as the Government shall determine. The said shall upon receipt of such return issue his certificate showing the amount of the subsidy due in respect of such voyage. [See Note J.]

*Annual subsidy.*

23. The Government will during the currency of this indenture pay to the Contractor, upon the due performance of "all his obligations under this indenture," the annual subsidy of £30,000. A proportionate part of such annual subsidy shall be paid to the Contractor upon the presentation by him of the certificate mentioned in the last preceding paragraph thereof.

*General.*

*Contract not to be assigned.*

24. This contract shall not be assigned, underlet, or disposed of unless the consent of the Government in writing has been first obtained.

*Contract may be annulled in case of war.*

25. If hostilities should occur between His Majesty the King and any foreign Power during the continuance of this contract, either party may annul the same.

*Determination of contract in certain events.*

26. If the Contractor shall assign, underlet, or dispose of this contract without the consent in writing of the Government, or in case the Contractor shall commit any breach thereof which the Government shall consider of sufficient importance to justify its determination, or if the Contractor shall habitually fail to carry out any part thereof, it shall be lawful for the Government, by notice in writing, to determine the contract forthwith, and the Contractor shall not be entitled to any compensation in respect of such determination, nor shall such determination deprive the Government of any rights to which they would have otherwise been entitled to by reason of the non-observance or non-performance of any of the provisions herein contained: Provided always that if the Contractor shall, within twenty-eight days after such notice as aforesaid has been given to him, give notice in writing to the Government of his desire to have the question whether the Government was justified in determining the contract determined by arbitration, such question shall be referred to arbitration in accordance with the provisions hereinafter contained. If on such arbitration it shall be determined that the Government was not justified in determining the contract, then and in that case the contract shall be and remain in full force and effect; but the Contractor shall not be entitled to any compensation in respect of such attempted determination. And such attempted determination shall not prevent the Government from at any future time giving any further notice to determine the contract.

*Voyages may be excepted from determination.*

27. The Government may, if they think fit, except from such determination any voyage or voyages, and if any steamer shall have started before the determination of this contract, or should after such determination start on any voyage or voyages so excepted, the voyage or voyages shall be continued and performed, and the contract shall be deemed to be in full force and effect with regard to such voyage or voyages, and the determination shall be deemed to take effect with regard to the vessel performing such voyage or voyages only on the arrival of such vessel or vessels at her or their final port of destination.

*Service of notices.*

28. Any notice which may be given to the Contractor under the provisions of these presents shall be deemed to have been duly served if it has been sent to the Contractor, or to his agent in New Zealand, by registered post, addressed to the Contractor's or his agent's last known place of business.

Government may delegate powers.

29. The Government may at any time, and from time to time, delegate all or any of the powers vested in them by virtue of these presents to such person or persons as they think fit.

Arbitration.

30. If any doubt, dispute, or difference of opinion touching any matter arising out of this contract, or in anywise connected therewith, shall arise between the Government and the Contractor, the same shall be referred to arbitration in accordance with the provisions of "The Arbitration Act, 1890," of New Zealand.

COUNSEL'S MEMORANDUM TO ACCOMPANY FIRST DRAFT CONTRACT.

[Marginal notes by Agent-General are printed within brackets.]

I have settled the draft contract in the best way I can with the somewhat meagre instructions which it has been possible to give me, and a good many questions arise for the consideration of the Agent-General before the draft is finally settled.

First of all, it will be observed that the whole contract is based on the assumption that the New Zealand Government have no concern with the return voyage from South Africa, except possibly provision for the return of the Post Office official sent in charge of the mails to South Africa. [This is, I think, a correct assumption.] There are no provisions for this part of the round voyage at all, and the Contractor therefore will be at liberty to return any way he pleases, so long as he has ships at the port of departure in time for successive voyages.

Next it will be noticed that it is assumed that all the business arising out of the contract will take place in New Zealand. I imagine that this is intended, in that the ships will not come to the United Kingdom at all. I do not know whether Mr. Sleight's head office is in England or not; if it is, it might be well to consider whether there is anything to be done in England, in which case the draft must be amended.

[The service is limited to that between New Zealand and South Africa. No provision is therefore necessary as regards the United Kingdom.]

I turn to special points arising on the draft.

NOTE A.—Is it intended that the contractor shall be allowed to fill up with cargo for Western Australia at an Australian port? This might cause delay in carrying out the main object, and I do not see that the Government of New Zealand have any concern in providing facilities for the conveyance of merchandise from New South Wales or South Australia to Western Australia. If it is not desired, the words about "option" and West Australian port must be struck out.

[It is not so intended. The steamboats are only to call at Australian ports for the purpose, if necessary, of filling up for South Africa, and for no other purpose.]

NOTE B.—I think it would be wise to provide some proportion of cargo which alone should be sufficient to permit a deviation to Beira, &c. It may be said, of course, that the contractor will not go to Beira, &c., unless it is worth his while; but in view of the subsidy the question appears to be rather what the New Zealand Government considers sufficient justification for a departure from the normal voyage.

[This could, I think, be safely left with the contractor. There should, however, be a provision that all such deviations must not interfere with the punctual despatch of the steamboats from New Zealand, and in that respect such deviations are entirely at the risk of the contractors.]

NOTE C.—This clause must be carefully considered with reference to the following points, and in connection with the succeeding clause and clause: First, is the penalty sufficient or too much? One knot deficiency over the whole voyage would cost the contractor £200 as a maximum. I have left the actual amount to be settled by the Government in order to give the necessary elasticity, and to enable a smaller fine to be inflicted in the event of the deficiency in speed being due to causes over which the contractor has no control. Second, will the method of calculation do? The "limits of each of the ports" would be a good description well understood in the case of English ports, but I am not sure whether it is suitable for New Zealand and Australia. The object, of course, is to ascertain the actual distance over which in ordinary circumstances full speed can be maintained.

[The rate of speed in both advertisement and Mr. Sleight's letter is insufficiently defined—that is, whether it means that the steamers must be capable of giving so many knots an hour, or whether the voyage must be made at that average speed. Here again, probably, it might be left to the contractor, provided the monthly steamboat is always ready for punctual despatch. This should be always kept in view.]

NOTE D.—I found it extremely difficult to devise a scheme which would prove a satisfactory method of securing the maximum rate of loading and discharge, because I imagine the facilities for loading and discharging vary considerably at the various ports—*e.g.*, I suppose it can be done much quicker at Melbourne or Sydney than at Fremantle or one of the smaller New Zealand ports; and, in the second place, the amount of cargo loaded or discharged at any of the ports will probably vary every voyage. The plan I suggest depends for its successful operation on the right number of tons being inserted as the amount to be discharged or loaded in each hour. This should be less than the amount which can be loaded or discharged at a place where the appliances are best, and more than can be discharged at the ports where they are worst, so as to arrive at a fair average. That part of the clause which provides for setting off the time saved at one place against the time lost at another should enable whoever has to decide the amount to be deducted as a penalty to

arrive at a fair conclusion. The penalty of £2 an hour is based on the usual demurrage of 4d. per registered ton a day upon a steamer of 3,500 tons, which works out at about £53 a day, as against £48 at £2 an hour: this should be considered. The only alternative I can suggest to this clause is to allow so-many hours for loading and discharging for the whole voyage, and impose a penalty for every hour occupied over and above that time. I do not think that is so good as the plan suggested, for the number of ports at which calls may be made may vary so much, there being three additional ports permitted in Australia and three in South Africa. The last two lines have the effect of excluding the whole of Sundays from the computation. It will be noticed that the effect of the clause is to provide that the hours shall be "running-hours" and not "working-hours." A protest on this point may be expected from the contractor. Whether the fact that "running-hours" is meant has any effect will, of course, depend upon the number of tons to be loaded or discharged per hour.

[I am making inquiries with the view of settling the points raised in this note.]

NOTE E.—I suppose this is intended.

[Yes.]

NOTE F.—Will a mail officer be required? I understand now that the mails are not of the first importance, and it may be therefore that a mail officer will not be wanted.

[I think this clause should stand. We will see what the contractors say to it.]

NOTE G.—This is according to the tender. But is it intended that the rate of carriage from New Zealand to the Cape shall be the same as from New Zealand to London, or only the same in proportion to the distance?

[I think we must accept what is stated in the advertisement—namely, that the rates are to be not more than those current between New Zealand and London.]

NOTE H.—I have no instructions as to the rates from New Zealand to Western Australia. Should they be a proportion of those from New Zealand to South Africa? If so, what proportion?

[The contractor should be allowed to settle these rates. This clause may therefore be omitted.]

NOTE J.—Some such clause as this is necessary, in order that the net amount to be paid shall be calculated.

[Clause approved. Return to be sent to the Hon. the Minister of Industries and Commerce, Wellington, New Zealand.]

## No. 23.

The Hon. Sir J. G. WARD to the AGENT-GENERAL.

Wellington, 3rd July, 1902.

SIR,—

*South African Steam Service.*

Referring to your letter of the 13th May, and draft contract enclosed therein, I have now the honour to confirm and hand you translation of my cable of the 2nd instant.

Referring to clause B of counsel's memo. accompanying draft contract, and your marginal note thereon: I think that a minimum quantity of cargo offering should be fixed, which would insure a deviation to Beira or East London; when the minimum quantity fixed is offered, then the contractor should have no option but to make the deviation; at the same time, the approval of the Minister for Industries and Commerce should be obtained before any deviation is made. I suggest 600 tons as the minimum deviation for Beira, as that port is not in South Africa, and it is an undesirable deviation for a steamer loaded principally for Durban, Port Elizabeth, and Cape Town. Beira is about eight hundred miles north of Durban, and it would delay the steamer fully a week on the voyage from Australia to Durban. I suggest a minimum of 450 tons for East London deviation, as the steamers pass that port on the voyage from Durban to Port Elizabeth, and it would involve no loss of time.

Clause 8: I suggest should provide for all steamers coaling at Westport and leaving New Zealand with a full supply of New Zealand bunker coal. Inserting this condition would necessitate bunkering before loading in New Zealand, and thus save delay after leaving New Zealand to bunker at an Australian port.

Clause 14 and Note C, and maintenance of speed at  $13\frac{1}{2}$  knots per hour: I think the penalty indicated is too light, as it would pay the contractor to reduce the speed of the steamers down to twelve knots, and save more than the penalty incurred thereby (£300) in the consumption of coal over the voyage. Speed is an essential condition of the contract, and should be stringently maintained. Limits of ports need not be considered, as a clause referring to ocean speed only would exclude speed within the limits of ports.

Referring to Note D and clause 15: This clause is not, in my opinion, sufficiently clear, and in its present form would make the departure from each loading-port in New Zealand uncertain and dependent on the hour the steamers arrived. I suggest substituting a clause on the following lines: The loading to be proceeded with with all despatch, as customary at the different New Zealand ports, and with no unnecessary delay, and the steamers to sail from each loading-port in New Zealand at an hour and day of which reasonable notice shall have been given by advertisement. Should the steamers fail to sail at the hour appointed a penalty of £3 per hour to be claimed and deducted from the amount due as subsidy. I suggest the penalty at £3 because, being a penalty, it should exceed the rate of ordinary demurrage, which would be, say, £2 per hour. Forty-eight running-hours, not including Sundays or Customhouse holidays, to be allowed for loading at each loading-port in Australia, time to count from the berthing of the steamer; and

should the steamer be detained beyond the forty-eight hours the foregoing penalty to be claimed and deducted. The discharging in Westralian and South African ports to proceed with all despatch, as customary at the different ports, and the steamer to proceed on her voyage to Cape Town *via* intermediate ports within six hours of the completion of discharge of cargo at each port. Should the steamer be detained beyond the six hours the same penalty to be claimed and deducted as above. A clause on these lines protects the Government against delay in the loading-ports in Australia, and delay in any intermediate discharging-ports, which are delays that it is very necessary to minimise as much as possible.

Clause 21: No reference is made to primage. I suggest all rates of freight be net if prepaid, and subject to 5 per cent. primage if paid in South Africa, with the exception of Western Australia, which should be as usual, net prepaid or otherwise.

Freight horses or fat cattle (not necessarily fat): Does the steamer find all, or which, of the following—water, fodder, and attendance?

Rates of freight to Western Australia, if possible, should be the same as current between Sydney and Melbourne and Westralia, and under any circumstances should not exceed those rates by more than one-third.

The form of bill of lading to be used for shipment under this contract to be submitted to and approved of by the Minister for Industries and Commerce.

The contractor to notify the Minister for Industries and Commerce by cable of the arrival of each steamer at each South African port.

The Agent-General for New Zealand.

I have, &c.,

J. G. WARD, Acting-Premier.

## No. 24.

### DRAFT OF CABLE TO AGENT-GENERAL.

REFERRING to draft contract enclosed in your letter 15th May:—

Clause 13: Suggest minimum quantity cargo permit deviation Beira, East London, be 600 and 450 tons respectively.

Clause 8: Should include coaling at Westport.

Clause 14: Penalty too light; rate of ocean speed,  $13\frac{1}{2}$  knots, to be maintained stringently.

Clause 15: Steamers to sail from New Zealand ports at hour and day reasonably notified, or penalty £3 per hour. Forty-eight running hours from berthing allowed to load and leave each Australian port. Discharge at all intermediate ports as customary, and depart within six hours of completion, otherwise penalty.

Clause 20: Rates freight—net if prepaid, 5 per cent. primage if paid in South Africa.

Clause 21: Same as current from Sydney, Melbourne, to Westralia, or not exceeding one-third more.

Bill-of-lading form to be approved by Minister.

Approved. Send cable to Agent-General accordingly. J. G. W. 3/7/02.

## No. 25.

### SECOND PROOF OF DRAFT CONTRACT.

[Revisions are printed in italic type.]

THIS indenture, made the                      day of                      , one thousand nine hundred and two, between His Majesty the King, in right of his Colony of New Zealand (who with his heirs and successors is and are hereinafter referred to as "the King,") by the Honourable William Pember Reeves, of Westminster Chambers, 13, Victoria Street, London, the Agent-General for the Colony of New Zealand, of the one part, and Harold C                      Sleigh, of                      , of the other part:

Witnesseth that it is hereby mutually covenanted and agreed between the said William Pember Reeves, for and on behalf of the King, and in order to bind the Government of the said colony, and the said Harold C                      Sleigh, his heirs, executors, and administrators, as follows, that is to say:—

#### Definitions.

1. In this indenture the following words and expressions shall, unless the context otherwise requires, have the meanings herein given to them: "The Government" means His Majesty the King, his heirs and successors, acting by His Majesty's Government in the said colony. "The Contractor" means the said Harold C                      Sleigh, his heirs, executors, and administrators. "The Postmasters-General" means the Postmaster-General of the Colony of New Zealand, the Postmaster-General of the Colony of Western Australia, the Postmaster-General of the Colony of Natal, and the Postmaster-General of the Colony of Cape of Good Hope. "Mails" includes all matter which under the law in force in the said colonies respectively may be transmitted by post.

#### Duration.

2. This contract shall remain in force for the term of three years from the date hereof.

#### Description of Steamers.

##### *Ships to be provided.*

3. The Contractor will from time to time and at all times during the continuance of this contract provide and maintain in a thoroughly seaworthy condition, to the satisfaction of the Government, and despatch on the voyages hereinafter mentioned, not less than four first-class modern

steamers, *named to and approved by the Government*, of a deadweight-cargo capacity of not less than 4,000 tons; upon a draught of water which will enable them to *enter and leave and to discharge* alongside the wharves at the ports hereinafter mentioned or referred to, where such facilities exist, for the purpose of maintaining a regular monthly service between New Zealand and South Africa in accordance with the terms and conditions hereinafter contained.

*The said steamers shall in all respects fulfil all the requirements of the Board of Trade of the United Kingdom of Great Britain and Ireland necessary to obtain a passenger certificate for foreign trade, and also all the requirements of the Marine Department of the Colony of New Zealand.*

Passenger accommodation.

4. The said steamers shall contain passenger accommodation for not less than thirty saloon passengers, and for such a number of second-class and steerage passengers as the Government may from time to time direct the Contractor to provide. Such accommodation shall be in every respect equal to the accommodation provided for the respective classes on board the first-class passenger steamers running to the said colony from the United Kingdom. *The victualling of and service for the passengers on board the said steamers shall be in all respects equal to that on board such first-class passenger steamers.*

Mail accommodation.

The Contractor shall provide on board the said steamers such space for the carriage of mails as the Postmaster-General of the Colony of New Zealand may from time to time require.

Refrigerating-machinery and insulation.

5. The said steamers shall be properly insulated for the carriage of about 500 tons of refrigerated produce, and shall be fitted with modern refrigerating-machinery, which shall be at all times maintained in efficient working-order by the Contractor.

Fittings for horses and live-stock.

6. The said steamers shall have permanent fittings of approved modern design built upon the upper deck for the carriage of horses and live-stock.

Gear for loading and discharging cargo.

7. The said steamers shall be fitted with approved modern steam or hydraulic appliances for loading and discharging cargo, capable, under ordinary conditions, of discharging not less than 400 tons of cargo in every twelve hours.

Steamers to be registered in New Zealand.

8. The said steamers shall be registered at a port in the said colony, and shall, as far as possible, be victualled, docked, repaired, and refitted in the said colony.

Voyages.

Monthly sailings. Loading-ports. Date of first sailing.

9. The Contractor shall despatch one of the said steamers once in each calendar month, *on a date to be fixed by the Government*, from a port in New Zealand (hereinafter called "the port of departure") from time to time named by the Government, and shall call in geographical order at three other ports in the said colony (hereinafter called "the loading-ports") *named from time to time by the Government*: Provided always that the Government shall not *after having once named the port of departure and the loading-ports* alter the port of departure or the loading-ports, unless the Government shall, not less than four weeks prior to the *date fixed for the commencement of any voyage*, inform the Contractor or his agent in New Zealand, in writing, of the new ports of departure and of call.

The first steamer shall leave the port of departure on a *day not more than one month after the date of this contract*.

Sailings to be advertised.

10. The Contractor shall, at his sole expense, advertise the proposed dates of the sailing of each ship in such newspapers or in such other manner as may be agreed upon, or, in default of agreement, may be appointed by the Government.

Steamers to call in West Australia.

11. The Contractor shall, on each outward voyage from New Zealand, call *at Fremantle or such other port* in Western Australia from time to time appointed by the Government (hereinafter called "the West Australian port"), and shall, in the event of sufficient cargo not being supplied in the said colony to fill the cargo-space in the said steamers, other than that reserved for cargo for the West Australian port, be at liberty to call at any ports in Australia, not *exceeding two*, other than the West Australian port, for the purpose only of filling up such cargo-space with cargo for South African ports and *for no other purpose*.

Cargo-space for West Australian port.

12. There shall be reserved in each of the said steamers not less than three-sixteenths, or more than one-quarter, of the steamer's deadweight-capacity for cargo for the West Australian port, provided always that if at the time when any steamer leaves the last loading-port there shall not have been shipped, or offered for shipment, upon such steamer sufficient cargo to fill the said three-sixteenths of the deadweight-capacity.

Ports of discharge.

13. The steamers shall discharge *at Fremantle, and also at Durban, Port Elizabeth, and Cape Town* (hereinafter called "the South African ports"): Provided that if shippers in New Zealand shall offer cargo for Beira, Lorenzo Marques, or East London (hereinafter called "the South African ports of call") to an extent not less than 300 tons for each of the *South African ports of call*, the Contractor may direct any steamer to call at all or any of the South African ports of call; *but no*

*calling at any or all of the South African ports of call shall release the Contractor from the obligation imposed by clause 9 hereof, to despatch a steamer from the port of departure punctually upon the date fixed by the Government under the provisions of the said clause.*

Ocean speed to be maintained.

14. Each voyage shall be completed at an average ocean speed of not less than  $13\frac{1}{2}$  knots. In the event of any steamer failing to attain on any voyage an average ocean speed of  $13\frac{1}{2}$  knots, there shall be deducted from the subsidy payable in respect of such voyage such sum as the Government shall deem reasonable, not exceeding £100 for the first half-knot or less, £150 for the second half-knot or less, and £300 for the third half-knot or less, and £500 for each half-knot beyond one and a half knots by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned. The actual average ocean speed for the purposes of this clause shall be ascertained over the whole voyage between the port of departure and Cape Town, and shall be calculated over such portions of the voyage as lie outside the limits of each of the ports mentioned.

Rate of loading and discharge. Lay hours.

15. At all ports other than the port of departure the said steamers shall load at a rate of not less than 50 tons an hour, and shall discharge at a rate of not less than 50 tons an hour, and shall not remain in any port other than the port of departure or Cape Town longer than such a time (hereinafter called "the lay hours") as, calculated as aforesaid, may be necessary to load or discharge the cargo actually loaded or discharged at such port. There shall be deducted from the subsidy payable in respect of any voyage such sum as the Government may deem just, not exceeding £3 for every hour during which any steamer may remain in any port beyond the lay hours: Provided always that in calculating the time in respect of which a deduction from the subsidy may be made the time saved in one or more ports shall be set off against the excess of time occupied in any one or more ports. The lay hours shall commence when the steamer shall have arrived in any port, and shall end at the time when the steamer has finished discharging, but the time between midnight on Saturday and midnight on Sunday shall be excluded.

Carriage of Mails.

Mails to be carried.

16. The Contractor will convey all mails which the Postmasters-General, or either of them, shall at any time require the Contractor to convey between the said colony, Western Australia, Natal, and Cape Colony.

No payment for mails.

17. No payment shall be made to the Contractor in respect of the carriage of mails, or of any service rendered in connection therewith, other than the subsidy hereinafter mentioned.

Responsibility for mails.

18. The Contractor shall be responsible for all damage or injury to the mails placed on board, however the same may be occasioned, the act of God and the King's enemies always excepted.

Accommodation for mail officer.

19. The Contractor shall, if required by the Government, provide, without charge, for the whole voyage, from the port where he embarks, back to the port of departure, first-class accommodation for an officer in charge of the mails, appointed by the Postmasters-General, or either of them, and shall, without charge, victual such officer as a first-class passenger from the time of his embarkation to the time of the arrival of the steamer on the homeward voyage at the port of departure.

Cargo.

Rates for cargo to South Africa. Horses and cattle.

20. The Contractor will receive and carry all cargo and live-stock which the steamers are able to carry between any of the ports in New Zealand and the South African ports at rates not exceeding those hereinunder mentioned, that is to say,—

	s.	d.
Wheat and flour... ..	30	0 per ton of 2,240 lb.
Barley ... ..	32	6 " "
Oats ... ..	35	0 " "
Bran ... ..	40	0 " "
Potatoes, in sacks ... ..	40	0 " "
Hay " boxes ... ..	37	6 " 50 cubic ft.
Hay (oaten or meadow), pressed in bales ... ..	37	6 " "

Frozen meat and dairy produce and all cargo carried in insulated chambers at current summer rates ruling between New Zealand and London. All other cargo at proportionate rates fixed by the Government, but not less than those current between New Zealand and London. Horses and fat cattle, £12 10s. per head on number shipped.

Payment of Subsidy.

Return of voyage to be forwarded.

21. The Contractor shall, within twenty-four hours of any steamer's arrival at her final port of discharge in New Zealand on the conclusion of each round voyage, forward to the Minister of Industries and Commerce, Wellington, New Zealand, a return in a form to be approved by the Government, which shall show the date of departure, the date and hour of arrival at and departure from each intermediate port, the amount of cargo discharged and shipped at each intermediate port, the distance run, and the date and hour of arrival at the port of final destination. Such return shall be verified by the production of the steamer's log or otherwise as the Government shall determine. The said Minister of Industries and Commerce shall, upon receipt of such return, issue his certificate showing the amount of the subsidy due in respect of such voyage after making the deductions (if any) proper to be made in accordance with the provisions of this contract.

## Annual subsidy.

22. *The Government will pay to the Contractor during the currency of this agreement at the conclusion of each voyage a subsidy at the rate of £30,000 per annum. So much of the said subsidy as may be due after making the deductions (if any) authorised by this contract shall be paid to the Contractor upon the presentation by him of the certificate mentioned in the last preceding paragraph hereof.*

## General.

Contract not to be assigned.

23. This contract shall not be assigned, underlet, or disposed of unless the consent of the Government in writing has been first obtained.

Contract may be annulled in case of war.

24. If hostilities should occur between His Majesty the King and any foreign Power during the continuance of this contract, either party may annul the same.

Determination of contract in certain events.

25. If the Contractor shall assign, underlet, or dispose of this contract without the consent in writing of the Government, or in case the Contractor shall commit any breach thereof which the Government shall consider of sufficient importance to justify its determination, *if the steamers shall fail to maintain the speed herein mentioned*, or if the Contractor shall habitually fail to carry out any part thereof, it shall be lawful for the Government, by notice in writing, to determine the contract forthwith, and the Contractor shall not be entitled to any compensation in respect of such determination; nor shall such determination deprive the Government of any rights to which they would have been entitled *had the contract not been determined*, by reason of the non-observance or non-performance of any of the provisions herein contained: Provided always that if the Contractor shall, within twenty-eight days after such notice as aforesaid has been given to him, give notice in writing to the Government of his desire to have the question whether the Government was justified in determining the contract determined by arbitration, such question shall be referred to arbitration in accordance with the provisions hereinafter contained. If on such arbitration it shall be determined that the Government was not justified in determining the contract, then and in that case the contract shall be and remain in full force and effect; but the Contractor shall not be entitled to any compensation in respect of such attempted determination. And such attempted determination shall not prevent the Government from at any future time giving any further notice to determine the contract.

Voyages may be excepted from determination.

26. The Government may, if they think fit, except from such determination any voyage or voyages; and if any steamer shall have started before the determination of this contract, or should after such determination start on any voyage or voyages so excepted, the voyage or voyages shall be continued and performed, and the contract shall be deemed to be in full force and effect with regard to such voyage or voyages, and the determination shall be deemed to take effect with regard to the vessel or vessels performing such voyage or voyages only on the arrival of such vessel or vessels at her or their final port of destination.

27. *The Contractor shall always have an agent in each port mentioned or referred to herein, with full authority to act on his behalf in all matters relating to the due performance of this contract, and shall notify the names of such agents to the Government.*

Service of notices.

28. Any notice which may be given to the Contractor under the provisions of these presents shall be deemed to have been duly served if it has been sent to the Contractor or to his agent *at the port of departure* by registered post addressed to the Contractor's or his agent's last known place of business.

29. *Any power, right, authority, or privilege conferred on the Government by this contract may be exercised or enjoyed by the Minister of Industries and Commerce for the time being, or the person from time to time performing the duties of that office.*

Government may delegate powers.

30. The Government may at any time and from time to time delegate all or any of the powers vested in them by virtue of these presents to such person or persons as they may think fit.

Arbitration.

31. If any doubt, dispute, or difference of opinion touching any matter arising out of this contract, or in any wise connected therewith, shall arise between the Government and the Contractor, the same shall be referred to arbitration in accordance with the provisions of "The Arbitration Act, 1890," of New Zealand.

In witness, &c.

No. 26.

BOND.

Know all men by these presents that we, Harold C Sleigh, of , and , of , are jointly and severally bound to His Majesty the King, his heirs and successors, in the sum of twenty thousand pounds of lawful money of the United Kingdom of Great Britain and Ireland, to be paid to His Majesty, his heirs and successors, for which payment to be well and truly paid we and each of us bind ourselves and himself, and our and his heirs, executors, administrators, and assigns, and every of them, firmly by these presents. Sealed with our seals. Dated this day of , one thousand nine hundred and two.

Whereas by a contract, made the day of , one thousand nine hundred and two, between His Majesty the King, in right of his Colony of New Zealand, by the Honourable

William Pember Reeves, the Agent-General for the Colony of New Zealand, of the one part, and the above-bounden Harold C Sleigh (hereinafter called "the Contractor") of the other part, it was witnessed that the Contractor would, for the consideration appearing in the said contract, from time to time and at all times during the continuance of the said contract provide and maintain in a thoroughly seaworthy condition not less than four first-class modern steamers of the descriptions and fulfilling the requirements mentioned in the said contract, and would despatch from a port in New Zealand, fixed by the Government of New Zealand (hereinafter called "the port of departure"), one of the said steamers once in each calendar month, on a day to be fixed by the said Government, upon the voyages mentioned in the said contract between New Zealand and South Africa, and that the first steamer should leave the port of departure on a day not more than one month after the date of the said contract, and that the said steamers should, upon each of the said voyages, maintain an average ocean speed of  $13\frac{1}{2}$  knots (calculated as in the said contract mentioned); and that the Contractor should receive and carry all cargo and live-stock which the said steamers should be able to carry between any of the ports in New Zealand and the ports in South Africa mentioned in the said contract, at the rates therein mentioned:

Now, the condition of the above-written bond is such that if the said Contractor shall from time to time and at all times during the continuance of the said contract provide and maintain in a thoroughly seaworthy condition not less than four first-class modern steamers of the descriptions and fulfilling the requirements mentioned in the said contract; and if the Contractor shall despatch one of the said steamers from the port of departure once in such calendar month, on the days fixed by the Government of New Zealand, upon such voyage as is mentioned in the said contract; and if the first steamer shall be despatched on a day not more than one month after the date of the said contract; and if the said steamers shall maintain on each of the said voyages an average ocean speed of  $13\frac{1}{2}$  knots (calculated as in the said contract mentioned); and if the Contractor shall receive and carry all cargo and live-stock which the steamers shall be able to take between any of the ports of New Zealand and the ports in South Africa mentioned in the said contract at the rates therein mentioned; then the above-written bond to be void: otherwise to remain of full force and effect.

Sealed and delivered by the above-named Harold C Sleigh, and  
and

### No. 27.

The Hon. Sir J. G. WARD to the AGENT-GENERAL.

Wellington, 8th July, 1902.

SIR,—

*South African Steam Service.*

I have the honour to acknowledge the receipt of your letter of 30th May last enclosing second proof of the draft of the contract, and also draft of the bond and counsel's opinion thereon.

Clause 13: I notice a minimum quantity of 300 tons has been inserted to warrant a deviation to Beira, Lorenzo Marquez, or East London. In my opinion, this minimum is too low for Beira or Lorenzo Marquez, the inducement being insufficient on which to reasonably ask the Contractor to make the deviation; it is little enough to insure calling at East London, which is practically no deviation at all. With the suggested minimum of 300 tons any shipper of that quantity could demand a deviation to Beira, and inconvenience and delay the whole service for that particular voyage. The deviation to Beira is undesirable from every point of view, and should not be entertained unless with a fairly high minimum of cargo shipped at New Zealand ports. If a minimum is fixed and that quantity is offering for a deviation, the Contractor should have no option in the matter. The wording of the clause as it stands at present renders it inoperative, as it reads, "The Contractor may direct any steamer to call at all or any of the South African [deviation] ports of call."

Clause 14: I notice the penalty for failing to maintain the contract rate of speed has been increased, but in my opinion it is still too light.

Clause 15: I have still the same objection to this clause, and would like to see an amendment on the lines suggested in my cable of 2nd instant and my letter confirming same.

Clause 20: I notice reference to the rates of freight between New Zealand and Westralia has been eliminated from this clause. In my opinion, the Government should certainly retain some control over the freights between New Zealand and Western Australia.

I have, &c.,

The Agent-General for New Zealand.

J. G. WARD, Acting-Premier.

### No. 28.

DRAFT OF CABLE TO AGENT-GENERAL.

REFERRING second proof draft contract steam service, suggest extending clause eleven by adding "at rates of freight not less than contract rates as from New Zealand ports."

Approved. Send cable accordingly.—J. G. WARD. 12th July, 1902.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,400 copies), £8 19s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1902.