

Houlder Line (Limited)—	Tons.	Federal Steam Navigation Company (Limited)—	Tons.
Hornby Grange ...	3,750	Cornwall ...	9,000
Ovingdean Grange ...	3,500	Devon ...	9,000
Urmston Grange...	5,400	Kent ...	9,000
Langton Grange...	9,200	Surrey ...	9,000
Drayton Grange*	10,000	Norfolk ...	9,000
Elbstree Grange ...	6,000	Maori King ...	6,500
Royston Grange ...	6,300	Suffolk ...	11,000
Beacon Grange ...	6,300	Essex ...	11,000
Rippingham Grange ...	9,200	Dorset ...	11,000
Oswestry Grange*	10,000	Somerset ...	11,000
Thorpe Grange ...	6,350		
Haversham Grange ...	11,200		
Everton Grange*	11,200		
Southern Cross ...	7,300		

* Twin Screw.

Furness, Withy, and Co. (Limited), 4, Fenchurch Avenue, London, E.C.,
4th September, 1902.

SIR,—

Referring to the interview which Mr. Herbert Jefferson, of Messrs. W. and A. McArthur (Limited), had the pleasure of having with the Rt. Hon. R. J. Seddon yesterday afternoon, on behalf of the Gulf Line (Limited), in which company our chairman, Sir Christopher Furness, is the largest shareholder, we enclose you herewith your tender duly completed by them, and the conditions of same they are prepared to fulfil, with one or two very slight modifications as named hereafter.

Steamers.—The four steamers with which the Gulf Line (Limited) would propose to inaugurate the service would be the “Gulf of Siam” (4,900 tons d.w.), “Gulf of Genoa” (4,915 tons d.w.), “Gulf of Bothnia” (4,930 tons d.w.), and “Gulf of Toronto” (4,900 tons d.w.), which latter steamer is well known to your Government, having carried the Sixth and Seventh Contingents to South Africa. They are all lighted by electricity, and fitted with triple-expansion engines, and they have been employed in the Australian and South African trade. We may say that the two first-named steamers are now in Australia immediately available for the service, and the two latter are now on their way to Australia, and will be in ample time to take their position according to contract.

Clause 4 (Passenger-accommodation).—The above vessels contain passenger-accommodation for not less than twenty saloon passengers, which can be increased to thirty if necessary, and second-class and steerage passenger accommodation could be arranged should the Government so direct.

We might here point out that it is contrary to the regulations of the Board of Trade for a vessel to carry both steerage passengers and live-stock, but the Gulf Line (Limited) are prepared to fit for whichever the Government may direct.

Clause 5 (Refrigeration).—Each of the above vessels is fitted for 900 tons of insulation, as against 500 tons asked for.

Clause 8 (Coaling in New Zealand).—Should Westport be inaccessible for the size of boat the Gulf Line (Limited) are providing, it would be understood that they take their coal elsewhere in New Zealand, but in the event of strikes, or other difficulties in obtaining a supply of coal without delay to the steamer, the contractors would have the right of making their arrangements elsewhere; and in connection with the repairing and refitting this would of course be done in New Zealand as far as possible, but, for instance, if the vessel was disabled in South Africa, it might be impossible for her to proceed to New Zealand until repairs had been effected.

Clauses 9 and 15.—These clauses bind the contractors to despatch the steamers at a fixed hour, but we take it that the contractors would be allowed a reasonable margin for contingencies.

Clause 20 (Cargo Rates).—The rate of £2 per ton of 2,240 lb. for bran would, we understand, be bran compressed, and with regard to live-stock the bill of lading would include a clause that the contractors were not responsible for mortality of live-stock from any cause whatsoever.

Clause 21.—The contractors assume that in the event of there being any serious shortage of cargo at New Zealand ports they will be allowed to call at Australia to fill up, although we should hope no such contingency will ever arise.

The contractors would also ask for a clause that “none of the penalties named are to be enforced in the event of accidents, breakdowns, or cause beyond their control.”

Bondsmen.—These would be Sir Christopher Furness, M.P., and Mr. W. A. McArthur, M.P.

Whilst not making a condition of it the contractors hope that, in the event of their obtaining this contract, at the expiration of the three years they would have the first offer of tendering for a new contract.

If there is any further information that you require, Mr. Jefferson would be very pleased to call upon you to-morrow at any time, or any other day you may appoint.

We are, &c.,

Awaiting the favour of your advices,

For FURNESS, WITHY, AND Co. (LIMITED)

(F. W. LEWIS, Director).

The Agent-General for New Zealand, Victoria Street, Westminster, S.W.