

1903.

NEW ZEALAND.

SOUTH AFRICAN STEAM SERVICE:

PARTICULARS AS TO TENDERS AND COPY OF CONTRACT.

Return to an Order of the House of Representatives dated 24th July, 1903.

Ordered, "That there be laid before this House a return setting out all places where the advertisement inviting tenders for the last South African steam service was published, the conditions and terms under which such tenders were invited, copies of all tenders received and of correspondence with the various tenderers, and a copy of the contract entered into."—(MR. DUTHIE.)

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 5th September, 1902.
Memorandum for the Right Hon. R. J. Seddon.

South African Steam Service.

THE following communications have been received in answer to invitations to tender for this service:—

1. Tender from the Federal Steam Navigation Company and Houlder Line (Limited).

Special Conditions.—Speed not less ten knots. Subsidy, £30,000 per annum, to be paid as from the 19th July, 1902, subject to modifications to be mutually agreed upon in New Zealand, and to clause 8 (steamers to be registered, victualled, docked, repaired, and refitted in New Zealand; Westport coal to be used) to be deleted. Total liability under contract not to exceed £20,000. Rate of freight on meat and dairy produce and all other cargo carried in insulated chambers to be the existing summer rates now ruling between New Zealand and London.

2. Tender from the Gulf Line (Limited).

Special Conditions.—Speed, twelve knots. (NOTE.—In clause 14 of the form of contract attached to tender, "the average ocean speed" is specified as not less than ten to eleven knots.) Subsidy, £27,500 per annum. Letter accompanying this tender states that the company are prepared to fulfil the conditions of the form of contract with one or two slight modifications, the principal one being that they 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. Sir Christopher Furness, M.P., and Mr. W. A. McArthur, M.P., are named as bondsmen.

The following letters have been received by me from:—

3. Elder, Dempster, and Co.—stating not prepared to tender by the time named, adding "If you do not meet with any firm likely to render the service you require, we should like to have the opportunity of expressing our views to you in the presence of the Premier of New Zealand."

4. New Zealand Shipping Company—stating that their experience leads them to believe that the service asked for could not be maintained on a subsidy of £30,000, therefore regret not being able to tender.

5. Shaw, Savill, and Albion Company—stating that even with the full subsidy of £30,000 per annum, and making generous allowance for freight and passengers, it would be impossible to run such service on the conditions laid down without serious loss, and they are confirmed in this view by their own experience. They therefore regret they do not see their way to tender.

6. Union Steamship Company of New Zealand—stating that they have exchanged several cable messages with their head office, and, while not instructing them to put in a tender, they are authorised to say that they will be pleased to negotiate on modified terms.

7. Bucknall Bros.—regretting that they find the proposed terms, &c., inapplicable for the service, and therefore it is impossible for them to make any tender. They further mention certain points affecting the supply of cargo which show the desirability of the New Zealand Government being responsible for the furnishing of the cargo or freight earnings of the steamers engaged in the trade. They add that they are disposed to enter into negotiations under a simple contract for the supply of certain steam tonnage between New Zealand and South Africa, on certain terms which they indicate.

The tender of the Gulf Line (Limited) is, on the face of it, the most favourable; but then they assume that they will be allowed to call at Australian ports to fill up. Even were this objectionable condition removed, I venture to submit that it would be most inexpedient to accept steamers for the service which were twice rejected by the Government.

There remains the Federal Company's and Houlder's tender, but the condition that the form of contract is to be subject to modifications to be mutually agreed to in New Zealand, thus leaving the contract in an unsettled state, appears to be one requiring very careful consideration.

I shall be glad if you will fix an early time at which I can see you with respect to this matter.

I attach copies of the tenders and letters referred to in this memorandum.

W. P. REEVES.

The Elder, Dempster, and Co., African House, Water Street, Liverpool,
2nd September, 1902.

SIR,— *New Zealand-Cape Service.*

We thank you for your telegram announcing that the time for receiving tenders for the above service is extended until 10 o'clock on Friday morning.

We may mention that our senior, Sir Alfred Jones, had the pleasure of discussing the points relative thereto with the Hon. Mr. Seddon, and beg to state that we are not prepared to put an offer forward by the time you name. We take great interest in the scheme, and if you do not meet with any firm likely to render the service you require, we should like to have the opportunity of expressing our views to you in the presence of the Premier of New Zealand. In our opinion it is a matter which needs very careful consideration.

The Agent-General for New Zealand.

We have, &c.,
ELDER, DEMPSTER, AND CO.

SIR,— 138, Leadenhall Street, London, E.C., 4th September, 1902.

We beg to acknowledge receipt of your letter of the 29th ultimo, enclosing forms of contract and bond and form of tender for a direct steam service between New Zealand and South Africa.

The experience of this company when it recently ran steamers to South African ports leads us to believe that the service asked for could not be maintained on a subsidy of £30,000, and we therefore regret not being able to tender on the terms and conditions required.

If it should be found later on that a service cannot be obtained on the lines laid down, we should be glad of an opportunity to make an offer on modified terms.

We are, &c.,

The Agent-General for New Zealand,
Westminster Chambers, 13, Victoria Street, S.W.

THE NEW ZEALAND SHIPPING COMPANY (LIMITED)
(C. J. COWAN, Joint Manager).

Shaw, Savill, and Albion Company (Limited), 34, Leadenhall Street,
London, E.C., 4th September, 1902.

SIR,— We have fully considered the terms and conditions received under cover of your favour of the 29th ultimo, in which you invited us to tender for a direct steam service between New Zealand and South Africa.

It seems to us that even with the full subsidy of £30,000, and making a generous allowance for freight and passenger earnings, it would be impossible to run such a service as is detailed on the conditions laid down without incurring serious loss, and we are confirmed in this view by our experience during the period when we carried on a similar service. We regret, therefore, we do not see our way to tender on the conditions prescribed. If your Government, however, is prepared to support a service on less onerous conditions we believe we shall be able to place such proposals before you as will provide for ample facilities for the conveyance of New Zealand products to Fremantle and the Cape, meeting all the requirements of shippers and including provision for extension should a development of the trade require this.

We shall be glad to hear further from you on the subject should you fail to conclude a contract on the terms placed before us.

We are, &c.,

SHAW, SAVILL, AND ALBION COMPANY (LIMITED)
(J. A. ARTHUR, Manager).

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

Union Steamship Company of New Zealand (Limited), 34, Leadenhall
Street, London, E.C., 5th September, 1902.

SIR,— We beg to thank you for inviting us to tender for the proposed contract for the carriage of New Zealand produce to South Africa.

Since the receipt of your invitation we have exchanged several cable messages with our head office, and, while not instructing us to put in a tender on the terms and conditions set forth in the papers received from you, they authorise us to say that they will be pleased to negotiate with you on modified terms. Should, therefore, any modification of the proposed contract be contemplated we should be glad to hear from you again, and we would immediately cable to our head office.

I remain, &c.,

C. H. COOPER, Secretary.

The Agent-General for New Zealand, 13, Victoria Street, Westminster, S.W.

East India Chambers, 23, Leadenhall Street, London, E.C.,
4th September, 1902.

SIR,— We duly received your letter of the 29th August handing us a form of tender for the projected service between New Zealand and South Africa, and we are obliged for your further advice of yesterday, that the time for receiving tenders is extended to 10 o'clock on Friday morning, the 5th instant.

We have given our careful consideration to the terms and conditions set out in the form of contract. We regret that we find the proposed terms and conditions such as, in our judgment, to be inapplicable for the service, and, much as we would desire to be identified with a steamer service between New Zealand and Africa, it is quite impossible for us to make any tender upon the terms and conditions set out.

We would beg to bring your attention to the fact that we have recently had steamers in New Zealand, and have endeavoured to get cargo for South Africa; but our advices have been that cargo is not obtainable at any rates of freight. It is true that these steamers were not insulated for carrying frozen produce, but this experience on our part would seem to indicate that steamers put in the trade would have to rely more particularly upon the frozen produce for their freight earnings, and, if we are correctly informed (both from New Zealand and from South Africa), the conditions of the frozen-meat business likely to obtain between New Zealand and Africa are subject to a control more or less in other hands, which may operate to prevent the steamers of the projected service finding a free freight-market in New Zealand to engage frozen meat for South Africa on the terms set out in the "form of contract." We have taken the liberty to mention these points affecting the supply of cargo to the steamers, as we think, if they are well founded, your Government, in their desire to promote a steamship service between New Zealand and South Africa, will at the same time appreciate the desirability of their being responsible for furnishing the cargo or freight earnings of the steamers engaged in the trade, until such time that it can be demonstrated that cargo is forthcoming for the steamers.

We had the honour of submitting some notes to the Rt. Hon. the Premier of New Zealand on a recent occasion when we were favoured by him with an interview in connection with the proposed steam service.

It would be impossible for us to consider any contract which makes it obligatory to commence the sailings within one month from the date of contract, as we should have no tonnage readily available in New Zealand, but should require to make arrangements to withdraw tonnage from our other trades, or to acquire new steamers, the time for which would necessarily require to be adjusted in a contract. We should be disposed to enter into negotiations with you under a simple contract for the supply of certain steam tonnage for ordinary cargo between New Zealand and South Africa, agreeing with your Government as to: (a) size of the steamers; (b) their speed; (c) frequency of sailing from New Zealand; (d) the course of the voyage, whether direct or *via* Western Australia, or other Australian ports; (e) taking their bunker supplies in New Zealand; (f) conditions upon which certain space in the steamers should be insulated for the carriage of frozen produce; (g) ports of loading and discharge; (h) ordinary form of bill of lading to be mutually agreed upon; (i) rates of freight; (j) amount of subsidy. We should in the same contract, for reasons previously stated, require assurance of full cargoes being provided for the steamers, or guarantee of freight earnings.

If you consider that your Government would entertain a contract on the basis here suggested, we should be happy to call and see you in respect of further particulars at any time you may be pleased to appoint.

We have, &c.,

The Agent-General for New Zealand,

BUCKNALL BROS.

Victoria Street, Westminster Chambers, S.W.

FORM OF TENDER FOR STEAM SERVICE BETWEEN NEW ZEALAND AND SOUTH AFRICA.

To His Majesty the King in right of his Colony of New Zealand, and to the Agent-General for the time being for New Zealand on behalf of the Government of that colony.

WE hereby offer to provide a regular service of steamships (of an average ocean speed of not less than ten knots) between New Zealand and South Africa, in accordance with and subject to the terms and conditions contained in the form of contract attached hereto, subject to modifications to be mutually agreed upon in New Zealand and clause 8 to be deleted, at a subsidy of £30,000 per annum. And in case the Agent-General shall accept this tender we undertake and agree forthwith upon his request to execute a contract according to said form of contract and agreed modifications, and to the terms of this tender, and we further undertake and agree upon the like request to deposit with the Agent-General the sum of £3,000, to be returned on the execution of said contract, and also to execute at the same time, together with one surety to be approved by him, a bond according to the form of bond attached hereto, by which the parties thereto shall jointly and severally be firmly bound to His Majesty the King, in the right of his Colony of New Zealand, in the sum of £20,000 for the proper performance of the said contract, it being agreed that our total liability for all damages under said contract shall not exceed the said sum of £20,000. We also undertake immediately, upon the request of the Agent-General, to name, for the approval of the Government of New Zealand, the steamers with which we are prepared to commence the said service. Subsidy to be paid as from the 19th July, 1902, on which date the Federal Steam Navigation Company (Limited) placed the "Sussex" on the South African berth in New Zealand. The rate of freight on frozen meat and dairy-produce and all other cargo carried in insulated chambers to be the existing summer rates now ruling between New Zealand and London.

We enclose list of our steamers, some of which we propose utilising for the contract. They are all above ten knots and up to thirteen knots speed.

Dated this 4th day of September, 1902.

For the FEDERAL STEAM NAVIGATION COMPANY (LIMITED)

(ALLEN HUGHES, Chairman).

HOULDER LINE (LIMITED)

(FRANK H. HOULDER, Director).

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
Ebstree 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.

FORM OF TENDER FOR STEAM SERVICE BETWEEN NEW ZEALAND AND SOUTH AFRICA.

To His Majesty the King in right of his Colony of New Zealand, and to the Agent-General for the time being for New Zealand on behalf of the Government of that colony.

WE hereby offer to provide a regular service of steamships (of an average ocean speed of not less than twelve knots) between New Zealand and South Africa, in accordance with and subject to the terms and conditions contained in the form of contract attached hereto, at a subsidy of £27,500 per annum. And, in case the Agent-General shall accept this tender, we undertake and agree forthwith upon his request to execute a contract according to said form of contract and to the terms of this tender; and we further undertake and agree upon the like request to deposit with the Agent-General the sum of £3,000, to be returned on the execution of said contract, and also to execute at the same time, together with one surety to be approved by him, a bond according to the form of bond attached hereto, by which the parties thereto shall jointly and severally be firmly bound to His Majesty the King, in the right of his Colony of New Zealand, in the sum of £20,000 for the proper performance of the said contract. We also undertake, immediately upon the request of the Agent-General, to name, for the approval of the Government of New Zealand, the steamers with which we are prepared to commence the said service.

Dated this 4th day of September, 1902.

THE GULF LINE (LIMITED)
C. FURNESS,
W. MACDOUGALL,
F. W. LEWIS.

ADVERTISEMENTS.

THE advertisement inviting tenders for the South African steam service in September last was inserted in the leading newspapers in the following places: Dunedin, Invercargill, Christchurch, Auckland, Wellington, Napier, Sydney, Melbourne, London, Liverpool, Glasgow.

TERMS AND CONDITIONS.

THE following are the terms and conditions under which tenders were invited:—

STEAM SERVICE, NEW ZEALAND TO SOUTH AFRICA.

Tenders are invited by the New Zealand Government—First, for a direct steam service between New Zealand ports and South Africa *via* Fremantle; second, for an alternative service between New Zealand ports and South Africa *via* Fremantle, with permission if necessary to call at another port in Australia *en route*.

Conditions.

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 service to be monthly.

The contract to be for a period of two or three years, at contractor's option.

The steamers to be fitted with refrigerators to carry frozen meat and dairy-produce.

The steamers to be not less than 4,000 tons measurement-capacity for cargo, and their draught when loaded must enable them to discharge at wharves at above ports. Lighterage, when necessary, to be paid by contractor.

The steamers to have minimum accommodation for thirty saloon and fifty steerage passengers, and to provide suitable space for mails.

Speed of steamers to be not less than eleven knots (ocean-going), with penalty and bonus on a scale to be arranged, but not to exceed £500 per voyage.

The rates of freight from New Zealand ports to South Africa to be not more than as follows:—

	£	s.	d.
Wheat, at per ton weight	1	10	0
Flour, at per ton weight	1	10	0
Barley, at per ton weight	1	12	6
Oats, at per ton weight	1	15	0
Bran, at per ton weight	2	0	0
Potatoes, in sacks, at per ton weight	2	0	0
Hay, oaten or meadow, pressed in bales, at per ton of 50 cubic feet measurement	1	17	6
Potatoes, in boxes, at per ton of 50 cubic feet measurement	1	17	6
Horses and full-grown cattle, each	12	10	0
Frozen meat and dairy-produce at current summer rates ruling between New Zealand and London.			

Other goods at rates current between New Zealand and London.

The maximum cargo for Fremantle which the contractor may be required to carry must not exceed one-sixth of the steamer's capacity, and the rates of freight from New Zealand to Fremantle must not exceed the rates current from Sydney and Melbourne to Fremantle by more than 25 per cent.

Tenderers to state what period of time required before berthing the first steamer in New Zealand, such time to count from the date of acceptance of tender.

Tenderers are required to state the extent of accommodation they are prepared to supply for live-stock.

Tenderers are required to state the different amounts of subsidy required per voyage for either or both of the services.

Whenever possible, consistent with ordinary prudence, and before commencing to load at New Zealand ports, steamers are required to call at Westport for a full supply of bunker coal, at which port the steamers will be free of pilotage and all port charges, excepting light dues.

A tender and its acceptance are to be considered the establishment of a contract binding on both sides, the cardinal points are to be consistent with this advertisement, the tender, and the acceptance; should any dispute arise over minor points, the matter in dispute shall be referred to arbitration.

Deposit of £3,000 to accompany each tender.

Marked written tenders, to be addressed to the Secretary for Industries and Commerce, Wellington, or to the Agent-General, London, will be received up to the 30th instant. Telegraphic tenders will also be received up to the same date.

The lowest or any tender not necessarily accepted.

Wellington, 15th September, 1902.

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

COPIES OF CORRESPONDENCE AND TENDERS RECEIVED.

Wellington, 6th October, 1903.

Tenders, Steam Service, New Zealand to South Africa.

HEREWITH I beg to hand you particulars of tenders received for the above service in response to the advertisement calling for same.

First: Received by the Agent-General from—

The Clan Line: £2,000 per voyage, without stating to what extent the steamers are insulated or when they are prepared to commence the service.

Furness, Withy, and Co.: £2,500 per voyage; accommodation for twenty saloon passengers; no steerage; would fit up for live-stock—no number mentioned; Government to pay light dues at Westport; could commence service at once; sureties, Furness and McArthur.

Federal and Houlder's renew tender already refused.

Sleigh: Renews his previous tender, with modification in the matter of speed to eleven knots; accommodation provided for a hundred live-stock; and to commence in six weeks from acceptance of tender.

These foregoing particulars are conveyed in the attached cablegrams from the Agent-General.

Second: Tenders received at this office and attached hereto: W. and A. McArthur and Co. (Limited), Sydney, and the New Zealand and African Steamship Company, Christchurch.

I have carefully reviewed the tenders, and the following is my report and recommendation:—

Clan Line: Tender is not satisfactory, because they have not complied with the conditions of the advertisement, not having stated the date on which they propose to commence the service nor what accommodation they are prepared to provide for the carriage of live-stock. Further, I have ascertained from the latest available copy of Lloyd's Register of Shipping that none of the Clan Line of steamers are insulated, which means that at least six months must elapse before the service can be commenced. This is a reasonable presumption based on the class of steamers owned by the line and the tenderers' failure to state a time when the service could be commenced.

Furness, Withy, and Co.: This tender is unsatisfactory inasmuch as they cannot supply any accommodation for steerage passengers. No extent of accommodation for the carriage of live-stock is guaranteed. Payment of light dues at Westport means an increase of subsidy by some £600 per annum. McArthur being named as a surety identifies this tender with the Gulf Line of steamers, which the Agent-General cables were previously offered by both Furness and Sleigh and rejected by the New Zealand Government as unsuitable.

Federal Company and Houlder's renew a tender which has already been refused.

Sleigh also renews his tender for a service at the rate of £30,000 per annum with a modification of the speed clause to eleven knots (originally thirteen knots), with accommodation for stock to the number of 100, and service to be commenced within six weeks. I cannot recommend any further negotiation with Mr. Sleigh owing to the trouble and delay caused by previous attempts to establish a contract with him.

W. and A. McArthur (Limited): I cannot recommend the acceptance of this tender for the following reasons: (1.) The passenger-accommodation clause is indefinite. (2.) No accommodation is guaranteed for the carriage of live-stock unless on conditions that steerage-passenger accommodation is eliminated from the contract. (3.) Despatch clause implies a guarantee of despatch on the part of the Government which cannot be entertained, and also I am quite satisfied McArthur and Co. propose to use the Gulf Line of steamers for the service, which have already been rejected as unsuitable.

The New Zealand and African Steamship Company's tender: I recommend the acceptance of either of the tenders from this company, but the alternative tender for preference. The steamers offered more than fulfil all the essential conditions of the advertisement as regards dimensions, passenger-accommodation, speed, accommodation for stock, refrigerated space, and position to commence the service. The alternative of terminating the contract without subsidy at the end of the first twelve months, if it is found that there is not sufficient trade to warrant the continuation

of the contract, is a very valuable concession. If necessary to discontinue the service for want of support, the experiment has cost the colony nothing; if the service is to be continued, sufficient business must have been promoted and established to warrant the continuation of the service, and the object of the Government is accomplished. The alternative tender is advantageous to the extent of £812, which is the amount of interest at five per cent. which would be saved by paying £30,000 in one sum at the end of twelve months as against monthly payments of £2,500.

After having carefully examined the different tenders I recommend the acceptance of the New Zealand and African Steamship Company's alternative tender.

T. E. DONNE, Secretary.

The Hon. the Minister of Industries and Commerce.

Interpretation of cablegram from the AGENT-GENERAL, London, to the Hon. the ACTING-PREMIER, Wellington.

(Dated London, 1st October, 1902; Received Wellington, 2nd October, 1902.)

SOUTH African steam-service:—Following offers here: Firstly, Clan Line: £2,000 per voyage between New Zealand, Fremantle, and South Africa, on general line of your advertisement. Secondly, Furness-Withy again tender apparently offering four Gulf steamers, subsidy, £2,500. Shall I cable details of tender? Thirdly, Federal and Houlder's jointly state that they are prepared to renew their previous tender. Fourthly, Sleigh repeats his tender 11th February, with necessary modifications.

Interpretation of Cablegram from the Hon. the ACTING-PREMIER, Wellington, to the AGENT-GENERAL, London.

(Dated Wellington, 2nd October, 1902.)

IN reply to your wire of the 1st., telegraph such particulars as you consider necessary to enable Government to decide; also when prepared to berth first steamer, what accommodation prepared provide for live-stock; also if steamers already insulated and refrigerated and to what extent.

J. G. WARD.

Interpretation of Cablegram from the AGENT-GENERAL, London, to the Hon. the ACTING-PREMIER, Wellington.

(Dated London, 3rd October, 1902; received 3rd October, 1902.)

IN answer to your telegram of 2nd October:—Firstly, Clan Line give no further details. I will endeavour to ascertain them. Secondly, Furness-Withy's four steamboats, about five thousand tons dead weight: rate of steaming, eleven–twelve knots. Could start at once between New Zealand, South Africa, calling Fremantle, with accommodation for twenty saloon passengers. Would fit up for live-stock; Government of New Zealand to pay light dues when coaling Westport; maximum cargo Fremantle and rate of freight in conformity with advertisement; settlement of dispute under New Zealand Arbitration Act. If warranted good result, willing to build new steamboats, sureties Furness and McArthur same as before. I am endeavouring to ascertain for certain if steamboats now offering by Furness-Withy are the Gulf steamboats previously offered by them as well as by Sleigh, which were rejected by New Zealand Government. Thirdly, tender which Federal state that they prepared renew went by mail 13th September. Fourthly, modifications in respect of Sleigh's tender enclosure in my despatch 456, 14th February, are as follows: Speed, eleven knots; penalty, bonus, and coaling in conformity with advertisement; live-stock 100; and could make beginning in six weeks with insulated steamboats.

FROM W. AND A. McARTHUR AND Co. (LIMITED), Sydney, to the Hon. the ACTING-PREMIER, Wellington.

(Dated Sydney, 26th September, 1902; received September, 1902.)

WE are posting to-morrow, being first opportunity, tenders for South African steam service. Shall we disclose details by wire, or will you await receipt of tender?

W. AND A. McARTHUR (LIMITED).

FROM the Hon. the ACTING-PREMIER, Wellington, to Messrs. W. and A. McARTHUR AND Co. (LIMITED), Sydney.

(Dated Wellington, 26th September, 1902.)

YOUR advice that tender posted is sufficient. It will be received on arrival, provided, of course, it is in order.

J. G. WARD.

SIR,— 13 and 15 Macquarie Place, Sydney, 26th September, 1902.

We beg to tender for the New Zealand–South African steam service, for which tenders are at present being called by your Government.

We have four (4) large steamers available that could in the main carry out the conditions required. They are vessels of a deadweight capacity of 4,400 tons each, including bunkers, and of a measurement capacity of, say, 4,900 tons of 40 cubic feet, including refrigerator-space to the equivalent of 42,000–45,000 carcasses of sheep—according to size. Limited passenger-accommodation could be arranged. Deck-space could be utilised for the carriage of live-stock, provided steerage passengers were not carried. The steamers are capable of steaming eleven (11) knots under ordinary conditions. The first steamer could be available in about a week's time from notification of acceptance of our tender (the vessel is being detained in Australian waters in view of our tender being successful).

The amount of subsidy we require is as follows :

1. For a direct steam service between New Zealand ports and South Africa, *via* Fremantle, £30,000 per annum, or, say, £2,500 per voyage.

2. For an alternative service between New Zealand ports and South Africa, *via* Fremantle, with permission, if necessary, to call at another port in Australia *en route*, £27,500 per annum, or, say, £2,291 per voyage.

A deposit of £3,000 will be made with you on Monday by the Bank of New South Wales on our account.

Despatch at loading-ports and ports of discharge to be guaranteed.

W. AND A. MCARTHUR (LIMITED).

The Secretary, Industries and Commerce, Wellington, New Zealand.

SIR,—

Christchurch, New Zealand, 29th September, 1902.

As agents for the New Zealand and African Steamship Company, we offer to provide a monthly service between New Zealand, Fremantle, and South Africa, to be carried out by steamers of the following description:—Capacity: Quite modern, of 5,000 tons gross register and fitted for refrigerated cargo, equal to 100,000 carcasses mutton. Passengers: Excellent passenger-accommodation for twenty to thirty saloon, and accommodation can be provided for any number of steerage passengers up to two hundred and fifty, in light and well-ventilated quarters. Mails: Suitable space for mails. Speed: Not less than eleven knots. Steamers are fitted throughout with electric light. Stock: Accommodation for the safe carriage of up to about one thousand head of full-grown cattle on deck and in shelter deck, and ample water-ballast tanks for fresh water for the use of the animals. It is more than likely that by the end of this year modern twin-screw steamers of this year's design will be substituted, of a speed of thirteen knots, and in any case some of these steamers are practically certain to be utilised, which will mean a considerable saving to shippers on the matter of insurance.

Conditions.—Loading-ports: Not exceeding four main ports in New Zealand. Discharging-ports: Not exceeding three ports, Durban, Port Elizabeth, and Table Bay; lighterage at Durban and Table Bay, if at any time necessary, to be at ship's expense and shipper's risk; lighterage at Port Elizabeth to be at shipper's risk and expense. Service: Monthly. Term of contract: Three years. Rates of freight: As per schedule contained in advertisement and attached hereto. Horses and Cattle: Full-grown, £12 10s. This rate provides for fittings, water, and accommodation for fodder to the extent of half a ton weight per animal, but not to exceed 60 ft. measurement. Special accommodation will be provided for stallions and bulls, which will be carried under special agreement with shippers. Penalty and bonus: Not exceeding five hundred pounds (£500) per voyage, on a scale to be mutually arranged. Commencement: Service to commence immediately, and to be to South Africa, *via* Fremantle, with the option of calling at one other Australian port only *en route*. Bunkering: Steamers to replenish bunkers upon arrival in New Zealand at West-port whenever it is possible.

Remuneration.—We are prepared to make a straight-out monthly contract for three (3) years at the rate of thirty thousand pounds (£30,000) per annum. As an alternative, we are willing to carry on a service for twelve (12) months without payment of any subsidy, but if, at the end of twelve months, we find the trade sufficient to enable us to continue the service, then we are to be paid for that twelve months the sum of thirty thousand pounds (£30,000), and for the balance of the term—namely, two years—at the rate of thirty thousand pounds (£30,000) per annum, payable monthly. In other words, the contract may be discontinued at the end of twelve months, if we consider there is not sufficient trade to warrant its continuance, in which case the Government will have had the benefit of the experiment without any cost to the colony.

Deposit.—Bank cheque for three thousand pounds (£3,000) attached.

We have, &c.,

KINSEY, BARNS, AND Co.,

As Agents for the New Zealand and African Steamship Company.

The Secretary, Industries and Commerce Department, Wellington.

The rates of freight from New Zealand ports to South Africa to be not more than as follows:—

	£	s.	d.
Wheat, at per ton weight	1	10	0
Flour, at per ton weight	1	10	0
Barley, at per ton weight	1	12	6
Oats, at per ton weight	1	15	0
Bran, at per ton weight	2	0	0
Potatoes, in sacks, at per ton weight	2	0	0
Hay, oaten or meadow, pressed in bales, at per ton of 50 cubic feet measurement	1	17	6
Potatoes, in boxes, at per ton of 50 cubic feet measurement	1	17	6
Horses and full grown cattle, each	12	10	0
Frozen meat and dairy-produce at current summer rates ruling between New Zealand and London.			
Other goods at rates current between New Zealand and London.			

Wellington Club, Wellington, 4th October, 1902.

SIR,—

South African Service.

With reference to my firm's tender for above, I beg to inform you that I shall be in Wellington until Tuesday, 7th instant, and can personally answer any inquiries you may wish to make respecting our tender.

I have, &c.,

The Secretary, Industries and Commerce Department, Wellington.

J. J. KINSEY.

4th October, 1902.

SIR,—

South African Steam Service.

I am directed by the Hon. the Minister of Industries and Commerce to ask you for the following information as to the nature of the New Zealand and African Steamship Company, for whom, as agents, you have tendered for the above service: (1.) Is the company in a position to promptly provide a thoroughly effective service? (2.) Will the steamers belonging to your line sail under the British or a foreign flag? (3.) Whether, if foreign, will the steamers sail under the American flag? (4.) Are you prepared to state, before the tenders are dealt with by the Government, who you are acting for beyond what appears in your tender?

The foregoing information is required for the guidance of the Government before it finally decides the question of your tender, which upon the whole is the most favourable to the colony, but its favourable consideration depends upon the Government being satisfied as to the several matters that I am directed to inquire about.

J. J. Kinsey, Esq., of Kinsey, Barns, and Co.,

I have, &c.,

T. E. DONNE, Secretary.

Agents for the New Zealand and African Steamship Company, Wellington.

SIR,—

Wellington Club, Wellington, 4th October, 1902.

We have to acknowledge receipt of yours of even date.

South African Steam Service.

In answer to your inquiries: (1.) The company is in a position to promptly provide a thoroughly efficient service, and, in fact, we anticipate being able to declare the first steamer for loading this month in the course of a few days. (2.) We understand the steamers will sail under the British flag. (3.) Our answer to this question is covered by our answer to question 2; they will not sail under the American flag. In answer to your question No. 4, we are not authorised at the present moment to disclose our principals, but they are undoubtedly of the highest respectability, and in every way in a position to carry out the contract.

We have, &c.,

KINSEY, BARNS, AND Co.

The Secretary, Department of Industries and Commerce, Wellington.

6th October, 1902.

Tender, Steam Service New Zealand to South Africa.

SIR,—

I am directed by the Hon. the Minister of Industries and Commerce to advise you that your alternative tender for the above service is accepted subject to your undertaking to carry on the service for twelve months, and that the name of the four loading-ports in New Zealand for each voyage be submitted to and approved of by the Government from time to time, and that the word "main," as applied to loading-ports in New Zealand, be omitted, and the word "safe" substituted.

Please confirm the foregoing at your earliest convenience, and name your solicitors who will confer with the Government solicitors and prepare the contract in terms of the negotiations.

I have, &c.,

T. E. DONNE, Secretary.

J. J. Kinsey, Esq., Messrs. Kinsey, Barns, and Co.,

Agents for the New Zealand and African Steamship Company, Wellington.

Wellington Club, Wellington, 6th October, 1902.

SIR,—

South African Service.

In reply to your letter of even date, the intention of our tender of the 29th ultimo was to guarantee a monthly service for twelve (12) months, on the terms and conditions as stated therein: this we have pleasure in confirming. We also agree to the substitution of the word "safe" in lieu of the word "main," under the heading of "Loading-ports," on page 2 of our letter above referred to, and the Government's conditions as to agreeing to such ports. The clause will then read:—"Loading-ports: Not exceeding four safe ports in New Zealand, the names of such loading-ports to be submitted to and approved of by the Government from time to time."

Our solicitors are Messrs. Skerrett and Wylie.

We have &c.,

KINSEY, BARNS, AND Co.

The Secretary Industries and Commerce, Wellington.

6th October, 1902.

SIR,—

South African Service.

I have the honour to acknowledge receipt of your letter of even date, agreeing to and confirming the amendments to your tender for the above service.

The names of your solicitors are duly noted.

I have, &c.,

J. J. Kinsey, Esq., Wellington Club,

T. E. DONNE, Secretary.

Agent for the New Zealand and South African Steamship Line.

COPY OF CONTRACT.

AGREEMENT made this eleventh day of October, one thousand nine hundred and two, between His Majesty, in right of His colony of New Zealand (who, with his successors and assigns, is herein-

after referred to as “the King”), of the one part, and Kinsey, Barns, and Co., of Christchurch, shipping agents, for and on behalf of the New Zealand and African Steamship Company (hereinafter referred to as “the Contractors”), of the other part, witnesseth that it is hereby mutually agreed between the parties hereto as follows, that is to say:—

1. In this agreement 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 Postmaster-General” means the Postmaster-General of the Colony of New Zealand: “mails” includes all matter which under the law in force in the said colonies respectively may be transmitted by post.

2. This contract shall remain in force for the term of three years from the date hereof, subject to determination as hereinafter provided.

3. The Contractors will from time to time, and at all times during the continuance of this contract, provide and maintain steamers of the character and capacity hereinafter mentioned, and despatch one of such steamers twelve times during each year, and as nearly as possible monthly, from a safe port in New Zealand to be appointed by the Contractor and approved by the Government (hereinafter called “the port of departure”), to South Africa *via* Fremantle, as hereinafter provided.

4. Each such steamer shall, besides the port of departure, call at not exceeding three other safe ports in the colony, the names of such ports to be submitted to and approved of by the Government from time to time (hereinafter called the “loading-port”).

5. The Contractors shall at their sole expense advertise the proposed dates of the sailing of each ship from each port in New Zealand in such newspapers or in such other manner and for such time as may be agreed upon, or, in default of agreement, may be appointed by the Government.

6. Each such steamer shall be in good seaworthy condition, of modern build, and shall be of not less than about 5,000 tons gross register, and have a measurement-capacity for cargo of not less than 4,000 tons.

7. Each such steamer shall contain excellent L.G.R. passenger-accommodation for not less than twenty to thirty saloon passengers, and shall provide, when required, accommodation in light and well-ventilated quarters for such number of steerage passengers (not exceeding 250) as the Government may from time to time, after reasonable notice, direct the Contractors to provide. Such accommodation shall be in every respect equal to the accommodation provided for the respective classes on board steamers engaged in a similar trade to South Africa.

8. The Contractors 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.

9. The said steamers shall be fitted throughout with electric light.

10. Each such steamer shall provide, if and when required, suitable accommodation for the safe carriage of about one thousand head of full-grown cattle on deck and in shelter deck, and also ample water-ballast tanks for fresh water for the use of the animals carried.

11. Each such steamer shall be properly insulated for the carriage of refrigerated cargo equal to 100,000 carcasses of mutton, and shall be fitted with modern refrigerating machinery, which shall be at all times maintained in efficient working-order by the Contractors. The freezing-chambers for the carriage of refrigerated cargo shall, immediately before or on arrival at the first port of loading, be cooled down to a maximum of 15° above zero for at least twenty-four hours prior to taking in such cargo, to the satisfaction of an officer appointed by the Government, or, failing such appointment, to the satisfaction of Lloyd’s agent, any such inspection to be at the expense of the Government.

12. Steamers shall replenish their bunkers with coal upon arrival in New Zealand, and before commencing to load, at a west coast port whenever it is reasonably possible, at which port steamers will be free of pilotage and all port charges excepting light dues.

13. Upon the name of any port of departure or loading-port being submitted to the Government, the Government shall forthwith and without delay either approve or disapprove of the same, and in the latter event will forthwith submit the name of the port the Government approves of as a port of departure or loading-port, and the reasons for such disapproval and substitution. And no such substitution shall be made unless the Contractors are guaranteed not less than 300 tons of cargo at such substituted port.

14. The Contractors shall on each outward voyage from New Zealand call at Fremantle, in Western Australia, and, provided they are unable to obtain a full cargo in New Zealand, shall also be at liberty to call and take cargo at one other port in Australia *en route*.

15. The Contractors shall not be obliged to carry cargo from New Zealand to Fremantle in any one voyage to a greater extent than one-sixth of the steamer’s cargo-capacity; and the rates of freight from New Zealand to Fremantle charged by the Contractors shall not exceed the rates current from Sydney and Melbourne to Fremantle by more than 25 per cent. Whenever it is reasonably possible the Contractors shall give precedence to cargo from New Zealand to South Africa over any cargo from New Zealand to Fremantle.

16. Each such steamer shall discharge at Fremantle, and also at Durban, Port Elizabeth, and Cape Town (which latter are hereinafter called the “South African ports”) provided that the Contractors shall not be obliged to discharge cargo at any of such South African ports if cargo shall not have been shipped for any of such ports to the extent of not less than three hundred tons, but shall be entitled to tranship such cargo at any one of the said South African ports, paying all coastal freight, but at the shipper’s entire risk.

17. Lighterage at Durban and Cape Town, if at any time necessary, shall be at the Contractor’s expense, but at the shipper’s risk. Lighterage at Port Elizabeth to be at the shipper’s risk and expense.

18. Each voyage from Fremantle to the first South African port of call shall be completed at an average ocean speed of eleven knots per hour : Provided that, before the Contractors shall employ in the service under this contract any steamer having an average ocean speed of twelve knots or more per hour, the written consent of the Government must be first obtained.

19. In the event of any steamer failing to complete the voyage from Fremantle to the first South African port of call at an average ocean speed of eleven knots per hour after making any deduction of time authorised by paragraph 20, then and in such case there shall be deducted from any subsidy payable in respect of such voyage such sum of money as the Government shall deem reasonable, but not exceeding the rates hereinafter specified, provided that there shall not be deducted in respect of any one voyage a greater sum than five hundred pounds, that is to say:—

For the first half knot or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, in the sum of fifty pounds.

For the first knot or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of one hundred pounds.

For the first one and a quarter knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of one hundred and fifty pounds.

For the first one and a half knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of two hundred pounds.

For the first one and three-quarters knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of three hundred pounds.

For the first two knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of five hundred pounds.

And in the event of any steamer completing the voyage from Fremantle to the first South African port of call at a greater average speed than eleven knots per hour (after making the allowance of time authorised by paragraph 20), then, and in such cases, there shall be added to the subsidy payable in respect of such voyage and paid to the Contractor, such sum of money by way of bonus as the Government may deem reasonable, but not less than at the rates hereinafter provided and not exceeding, in respect of any one voyage, the sum of five hundred pounds, that is to say,—

For the first quarter knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of one hundred pounds.

For the first half knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of one hundred and fifty pounds.

For the first three-quarters of a knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of two hundred and twenty-five pounds.

For the first knot or less by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of three hundred and fifty pounds.

For the first one and a quarter knots or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of four hundred and fifty pounds.

For the first one and a half knots or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of five hundred pounds.

The actual average ocean speed for the purpose of this clause shall be ascertained over such portion of the voyage as lies between outside the limits of the Port of Fremantle and outside the limits of the first South African port of call, and the entries duly and properly made by the captain of such steamer in his log-book shall be received as conclusive evidence of the time occupied by the voyage. It is agreed, for the purpose of arriving at such average ocean-going rate of speed, that the mileage outside the limits of the above-mentioned ports is as follows: Between Fremantle and Durban, 4,400 nautical miles; between Fremantle and Cape Town, 5,060 nautical miles; between Fremantle and Port Elizabeth, 4,600 nautical miles.

20. Provided always that in the event of any such steamer carrying live-stock being compelled by stress of weather to slow down, or alter or deviate from its course, or otherwise delay its voyage for the safety or benefit of such live-stock, the time lost on such voyage by reason thereof shall, for the purpose of every provision of this agreement, be deducted from the actual time occupied by the steamer on such voyage, and the entries duly and properly made by the captain of such vessel in his log-book of the circumstances aforesaid, and of the delay thereby caused in such voyage, shall be received as conclusive evidence thereof.

21. Provided always that no such sums shall be paid or received by the Contractors in respect of any voyage made during the first twelve months if the Contractors shall exercise the power of determination expressed in the 26th paragraph hereof. But if such power of determination shall not be exercised, such sums shall be paid or received by the Contractors, as the case may be, at the same time as the subsidy of £30,000 is payable to them under the provisions of this agreement. And during the residue of the term of three years herein provided such sums shall be paid or received by the Contractors, as the case may be, at the conclusion of each such voyage.

22. The Contractor will convey all mails which the Postmaster-General shall at any time require the Contractors to convey between the said colony and Western Australia, and between

the said colony and Natal and Cape Colony: Provided that all matter sent by the postal authorities by parcel post shall be paid for by the Government at the same rates and upon the same terms as are now payable in respect of such matter per direct steamer from New Zealand to London.

23. No payment shall be made to the Contractors in respect of the carriage of mails or of any service tendered in connection therewith other than as provided by the preceding paragraph, and other than the subsidy hereinafter mentioned.

24. The Contractors 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, fire, restraints of princes, rulers, or people, shipwreck, accidents, and dangers of the seas, and of navigation of what ever nature or kind excepted.

25. The rates of freight from New Zealand ports to South Africa are to be not more than as follows:—

<i>General Cargo.</i>				£	s.	d.
Wheat, per ton of 2,240 lb.	...	...	...	1	10	0
Flour, per ton of 2,240 lb.	...	...	...	1	10	0
Barley, per ton of 2,240 lb.	...	...	...	1	12	6
Oats, oatmeal, and wheatmeal	...	...	...	1	15	0
Bran, per ton of 2,240 lb.	...	...	...	2	0	0
Potatoes, in sacks, per ton of 2,240 lb.	...	...	...	2	0	0
Hay, oaten or meadow, pressed in bales, per ton of 50 cubic feet	...	...	...	1	17	6
Potatoes, in boxes, per ton of 2,240 lb.	...	...	...	1	17	6
Tallow, oleo, mutton, fat, &c., per ton weight of 2,240 lb.	...	...	...	2	0	0
Grass-seed, per ton weight of 2,240 lb.	...	...	...	3	0	0
Clover-seed and shelled fog, in bags, per ton weight of 2,240 lb.	...	...	...	2	0	0
Case goods—milk, extract of meat, cheese, &c., in cases, per ton measurement of 40 cubic feet	...	...	...	2	5	0
Preserved meats, per ton measurement of 40 cubic feet	...	...	...	1	15	0

(All the above *plus* 10 per cent. primage, of which 5 per cent. is to be returned to shippers.)

Freezing-chamber.

Butter, in boxes, frozen before shipment, per pound net weight without primage	...	...	...	...	s.	d.
					0	0 $\frac{3}{4}$
Butter in kegs, frozen before shipment, per pound more, without primage	...	...	...	...	0	0 $\frac{1}{8}$

The Contractors to pay coastal freight from grading-ports to loading-ports (if the steamer does not load at a grading-port) up to 10s. per ton weight, the balance (if any) being paid by shippers.

The following scale of summer rates now ruling is fixed for the purposes of this contract namely:—

Poultry, in cases, frozen before shipment, per cubic foot	...	...	...	s.	d.
				1	6
Rabbits, hares, and boned meat, packed in cases and thoroughly frozen before shipment, per cubic foot	...	...	...	1	3

(All the above *plus* 10 per cent. primage, of which 5 per cent. is to be returned to shippers.)

Mutton, pork, or veal, per pound	...	...	...	0	0	0 $\frac{3}{4}$
Mutton, haunches, legs, or mutton in crates, per pound	...	...	...	0	0	0 $\frac{9}{16}$
Lamb, per pound	...	...	...	0	0	0 $\frac{1}{8}$
Beef, per pound	...	...	...	0	0	0 $\frac{5}{8}$
Kidneys and sweetbreads, per pound	...	...	...	0	0	0 $\frac{5}{8}$

(All above less 5 per cent.)

Horses and cattle, full grown, each ... 12 10 0

This rate provides for fittings, water, and accommodation for fodder to the extent of half a ton weight per animal, but not to exceed 60 ft. measurement.

Bulls, stallions, and other descriptions of live-stock as per special agreement.

All other cargo—both general and refrigerated—at summer rates ruling at the date of this contract.

26. At the expiry of twelve months from the date hereof the Contractors, if they shall be of opinion that the trade does not offer sufficient inducement to them to continue the service, may, by giving one month's previous notice in writing to the Minister of Industries and Commerce to that effect, determine this contract, and thereupon the Contractors shall not be entitled to any subsidy for the service under this contract for such twelve months.

27. The Government will pay to the Contractors the subsidies following, that is to say:—

- (1.) At the expiry of the period of twelve months from the date hereof (if the Contractors shall not have exercised the power of determination provided for in the preceding paragraph) the sum of thirty thousand pounds (after making the deductions or additions, if any, authorised by this contract).
- (2.) During the residue of the said term of three years, a subsidy at the rate of £30,000 per annum, payable proportionately on the departure of each steamer on each voyage from the final loading-port in New Zealand.

28. This contract shall not be assigned, underlet, or disposed of unless the consent of the Government (by some Minister thereof) in writing has been first obtained.

29. From all the provisions of this contract there shall be accepted the act of God, the King's enemies, restraints of princes, rulers, or people, fire, shipwreck, and dangers and perils of the sea, and of navigation of every kind.

30. Any notice which may be given to the Contractors under the provisions of these presents shall be deemed to have been duly served if it has been sent to the Contractors or to their agents

at the port of departure by registered post addressed to the Contractors' or their agent's last known place of business.

31. Any right, power, 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. And any written instrument or notice required to be served upon or given to the Government under or in pursuance of any provision herein contained shall be deemed to have been regularly served or given if the same is delivered or given to such Minister, unless express provision is made to the contrary.

32. 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.

33. 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 Contractors the same shall be referred to arbitration, in accordance with the provisions of "The Arbitration Act, 1890," of New Zealand.

34. This contract shall be subject to confirmation by the New Zealand and African Steamship Company, which confirmation shall be obtained within three months from the date hereof, otherwise this agreement shall be cancelled and determined.

As witness the execution hereof by the parties hereto.

J. G. WARD,
Minister of Industries and Commerce.
KINSEY, BARNES, AND CO.,
As agents for the New Zealand and African Steam-
ship Company.

Signed in the name and on behalf of His Majesty the King by
the Hon. Sir Joseph George Ward, K.C.M.G., Minister of
Industries and Commerce, in the presence of—

LEOD. G. REID, Solicitor,
Wellington, N.Z.

Signed by Messrs. Kinsey, Barnes, and Co., as agents for the
New Zealand and African Steamship Company.

C. P. SKERRETT, Solicitor,
Wellington, N.Z.

The contract, of which the above paper-writing is a copy, is hereby confirmed by the New Zealand and African Steamship Company (Limited), which is the party to such contract referred to therein as the "New Zealand and African Steamship Company."

Dated at London, this nineteenth day of December, one thousand nine hundred and two.

The common seal of the New Zealand and African Steamship
Company (Limited) was hereunto affixed on the said nine-
teenth day of December, one thousand nine hundred and
two, at London, by the authority of the board of managers
of the said company, in the presence of—

[Seal.]

ALLAN HUGHES, } Managers.
A. F. HOULDER, }
CHAS. F. EDNEY, Secretary.

This is the confirmation of contract mentioned and referred to in the declaration of Charles Fleuret Edney, made and declared before me, this twentieth day of December, one thousand nine hundred and two.

JOHN A. DONNISON, Notary Public,
A Commissioner in England to administer Oaths in the
Supreme Court of New Zealand.

I, the undersigned Charles Fleuret Edney, of No. 2, Fenchurch Avenue, in the City of London, England, do solemnly and sincerely declare—

That I am the secretary of the New Zealand and African Steamship Company (Limited), having its registered office at No. 2, Fenchurch Avenue aforesaid:

That I was present on the nineteenth day of December, one thousand nine hundred and two, and did see the common seal of the said New Zealand and African Steamship Company (Limited) affixed to the annexed confirmation of contract, and that the seal thereto affixed is the genuine common seal of the said company, and that it was affixed thereto by order of the managers of the said company, and that the said company is duly incorporated in England under the Companies Acts, 1862 to 1900; that the said seal has been so affixed as aforesaid, and the confirmation of contract executed under and in pursuance of the articles of association of the said company and by the authority of the board of managers of the said company:

And that the names "Allan Hughes," "A. F. Houlder," and "Chas. F. Edney" thereto subscribed are of the respective proper handwritings of Allan Hughes and Augustus Frederick Houlder, two of the managers of the said company, and of me, the declarant.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of "The Statutory Declarations Act, 1835."

Declared at No. 2, Fenchurch Avenue, in the City of London, this }
 twentieth day of December, in the year of our Lord, one thousand nine } CHAS. F. EDNEY.
 hundred and two, before me—

JOHN A. DONNISON, Notary Public,
 A Commissioner in England to administer Oaths in the
 Supreme Court of New Zealand.

To all to whom these presents shall come.

I, JOHN ALFRED DONNISON, of the City of London, notary public, duly admitted and sworn, practising in the said city, in pursuance of the provisions of the Act of Parliament mentioned and referred to in the annexed declaration, do hereby certify that on the day of the date hereof personally came and appeared before me Charles Fleuret Edney, the person named and described in the said declaration, and who by solemn declaration which the said Charles Fleuret Edney then made before me did solemnly and sincerely declare to be true the several matters and things mentioned and contained in the said annexed declaration; and that the signature "Chas. F. Edney," set and subscribed at the foot of the said declaration is of the proper handwriting of the said Charles Fleuret Edney, and was this day subscribed by him in my presence.

In faith and testimony whereof I have hereunto set my hand and seal of office, and have caused the confirmation of contract mentioned and referred to in and by the said declaration to be hereunto also annexed.

Dated in London, the twentieth day of December, in the year of our Lord, one thousand nine hundred and two.

JOHN A. DONNISON,
 A Commissioner in England to administer Oaths in the
 Supreme Court of New Zealand.

Approximate Cost of Paper.—Preparation, not given; printing (1,250 copies), £7 14s. 6d.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1903.

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