

1915.
NEW ZEALAND.

THE AMMUNITION CONTRACT, 1915.

Laid before Parliament pursuant to Section 87 (e) of the Defence Act, 1909.

AGREEMENT made the eighteenth day of May One thousand nine hundred and fifteen BETWEEN HIS EXCELLENCY THE GOVERNOR of the Dominion of New Zealand (hereinafter with his successors in office called "the Governor") of the one part and THE COLONIAL AMMUNITION COMPANY (LIMITED) a duly incorporated Company carrying on business in the United Kingdom and at Mount Eden near Auckland in New Zealand as manufacturers of small-arms ammunition (hereinafter with its successors and permitted assigns called "the Company") of the other part WHEREAS by Memorandum of Agreement dated the thirty-first day of December One thousand nine hundred and ten the Governor acting under the provisions of the Defence Act 1909 entered into a contract with the Company for the supply by the Company of ammunition to the Government of New Zealand for the term of five years from the first day of January One thousand nine hundred and eleven upon the terms and conditions therein appearing AND WHEREAS the said Contract will expire by effluxion of time on the thirty-first day of December One thousand nine hundred and fifteen AND WHEREAS by section 87 of the Defence Act 1909 as amended by the Defence Amendment Act 1914 it is provided that the Governor may at any time within two years of the expiry of the term of the Contract enter into a fresh Contract with the same or any other contractor for a further term not exceeding fifteen years AND WHEREAS the Company is willing to enter into a fresh Contract under section 87 of the Defence Act 1909 as amended by the Defence Amendment Act 1914 for the supply of such quantities of small-arms ammunition as shall be required by the New Zealand Government upon the terms and conditions hereinafter expressed NOW THIS AGREEMENT WITNESSETH as follows:—

1. The Company hereby agrees with the Governor that the Company will manufacture small-arms ammunition within the Dominion of New Zealand in such quantities and at such monthly or other intervals as may from time to time be ordered by the said Government or its duly appointed officers during a period of fifteen years computed from the first day of January One thousand nine hundred and sixteen (being the term of this Contract) provided that the Company shall not be bound to maintain a monthly supply of more than Eight hundred thousand (800,000) rounds of .303 service ball ammunition and One hundred and five thousand (105,000) rounds of .303 blank ammunition.

2. The Governor will pay to the Company for all ammunition finally delivered under this Contract a price equal to the current War Office cost meaning thereby the current price for the time being paid by His Majesty's War Office to Contractors for similar ammunition in England plus the ordinary Imperial Departmental charges upon the same as packed and delivered at Woolwich increased by a sum at the rate of Fifteen pounds (£15 0s. 0d.) per centum of the aforesaid current War Office cost to cover the expense of freight insurance wharfage and general charges of delivery in New Zealand. The aforesaid current War Office cost shall be ascertained annually in London as on the first day of January One thousand nine hundred and sixteen and as on the first day of January in each year thereafter during the term of this Contract by the High Commissioner for New Zealand in consultation with an expert (such expert being the Inspector of warlike stores or some other officer appointed by the High Commissioner in that behalf) and the Company's Secretary in London or some other person appointed by or on behalf of the Company and the current War Office cost so ascertained shall (increased by the percentage aforesaid) be and be taken to be the price (hereinafter called "the Company's price") to be paid by the Governor to the Company for such ammunition during the ensuing twelve months PROVIDED that in no case shall the price to be paid to the Company under this Contract be less than Five pounds fifteen shillings (£5 15s. 0d.) per thousand rounds of .303 service ball ammunition and the minimum price for .303 blank shall not be less than Three pounds two shillings and sixpence (£3 2s. 6d.) per thousand rounds PROVIDED that in the event of war being declared or