

1881.
NEW ZEALAND.

DIRECT STEAM SERVICE BETWEEN GREAT BRITAIN
AND NEW ZEALAND

(CORRESPONDENCE RELATIVE TO).

[In Continuation of D.-2, Session II., 1879.]

Return to an Order of the House of Representatives of 30th June, 1881.

“For copies of all correspondence which passed between Mr. Macandrew, when Minister for Public Works, the Agent-General, and some shipbuilding firms in Scotland, relative to the establishment of direct steam service between Great Britain and New Zealand.”—(*Mr. Shrimski.*)

No. 1.

The UNDER-SECRETARY for IMMIGRATION to the GENERAL MANAGER, New Zealand Shipping Company

SIR,—

Immigration Office, Wellington, 3rd October, 1878.

I have the honor, by direction of the Hon. the Minister for Immigration, to inform you that the Government are desirous of knowing from you on what terms the New Zealand Shipping Company would be disposed to provide direct steam communication between Great Britain and this colony

The Government will be glad if you will say,—

1. Whether you will entertain the proposal?
2. If so, what class and description of boats you would propose to put on?
3. Whether you would require any, and what, subsidy?
4. Whether, in the event of the Government determining to bring out immigrants in such steamers, you would require any, and what, extra amount of passage-money per head, or any, or what, extension of the terms of the present contract?
5. When could you commence such a steam service?
6. What rates would you require for the conveyance of freight or merchandise?
7. How many trips between Great Britain and the colony would be made in the year?
8. What would be the length of time occupied on the voyage?

The General Manager,
New Zealand Shipping Company, Wellington.

I have, &c.,
H. J. H. ELLIOTT,
Under-Secretary

No. 2.

The GENERAL MANAGER, New Zealand Shipping Company, to the UNDER-SECRETARY for IMMIGRATION.

SIR,— New Zealand Shipping Company (Limited), Wellington, 4th October, 1878.

I have the honor to acknowledge receipt of your letter No. 348, of the 3rd instant.

I beg that you will assure the Hon. the Minister for Immigration that the important questions submitted will have the early and anxious consideration of my board of directors, whose views on the matter I shall have the honor to communicate shortly

Interim, it is right I should say that the directors have been collecting all the information obtainable as to the cost of initiating and maintaining an efficient steam service between the United Kingdom and this colony

The Under-Secretary for Immigration, Wellington.

I have, &c.,
H. SELWYN SMITH,
General Manager.

No. 3.

The AGENT-GENERAL to the Hon. the MINISTER for IMMIGRATION.

SIR,—

7, Westminster Chambers, London, S.W., 10th September, 1878.

In continuance of my previous reply to your letter of the 16th April, No. 75, on the subject of a direct steam service to New Zealand, I have to report that I have been in negotiation with several persons on the subject, and that I am disappointed I have not before this been able to communicate to you a direct proposal.

Mr. Peter Denny and Mr. James Galbraith are preparing elaborate plans and estimates, but I regret to say I am not able to send the result out by this mail. Mr. Galbraith informs me he cannot be ready in time. I hope to be able to telegraph you the substance of the offer shortly. In company with Mr. Larnach I saw one of the partners in the extensive and wealthy firm of Messrs. Green, and he promised us to submit a proposal, but he has not yet done so. We also saw Mr. Stringer, and he led us to believe he would make a further communication, but he has not yet done so. I also saw Mr. Anderson, one of the partners in Messrs. Anderson, Anderson, and Co., the founders of the Orient line. He seemed inclined to telegraph to his brother, who is now in Melbourne, to go on to New Zealand to see you.

You may be sure I will not lose sight of this matter. I cordially agree with your own estimate of its importance to New Zealand. Excepting Mr. Galbraith and Mr. Denny, the other gentlemen proposed using steamers already built; but Mr. Denny and Mr. Galbraith were of opinion that special steamers, of not less than 5,000 or 6,000 tons, should be built for the purpose. My own opinion is that a line could only be made successful by the use of large and suitable steamers, and I believe it is difficult to exaggerate the benefit to the colony of a really first-class rapid steam communication.

I have, &c.,

The Hon. the Minister for Immigration,
Wellington.JULIUS VOGEL,
Agent-General.

NOTE.—This letter was published in D.-2, page 6, 1879.

No. 4.

Sir JULIUS VOGEL and Mr. LANARCH to the Hon. J MACANDREW

SIR,—

7, Westminster Chambers, London, S.W., 5th December, 1878.

In continuation of previous correspondence between you and Sir Julius Vogel on the subject of a direct steam service to New Zealand, we now have the honor to forward to you herewith the copy of a letter and enclosures received by Sir Julius Vogel from Mr. Galbraith, and separately a tin case of plans. We have jointly had several interviews with Mr. Galbraith and Mr. Denny. The line these gentlemen propose will be equal to, probably superior to, any other line afloat. We think a service of the kind would be of enormous value to New Zealand. If the cost is too heavy a service every three months might be performed with two steamers. Probably the terms proposed would be relaxed if the Government give us authority to conclude an arrangement.

We have, &c.,

The Hon. J Macandrew, Wellington.

JULIUS VOGEL.
W J M. LANARCH.

No. 5.

Mr. JAMES GALBRAITH to the AGENT-GENERAL.

SIR,—

15, St. Vincent Place, Glasgow, 3rd December, 1878.

I have now the pleasure to hand you tracings of designs for the class of steamers which Mr. Denny and I think adapted to meet the requirements of the proposed service of direct steam communication between this country and New Zealand. These designs are, of course, subject to, and will receive the benefit of, further consideration and any suggestions which may be offered by the Government of New Zealand or others intrusted in the contemplated service.

I have to express regret that what you may look upon as a somewhat unnecessary delay has taken place in this matter, but much time was needful in giving thorough consideration to the best means of fulfilling the several requirements of such a service, and in designing vessels capable of efficiently carrying these out.

I enclose copy of communication addressed to me by Mr. Denny's firm, giving a full description of the steamers proposed for this service, which, with an average speed at sea of $12\frac{1}{2}$ knots, will make the outward voyage *via* the Cape of Good Hope in forty-two days, and the homeward voyage *via* the Suez Canal in forty days.

I have gone very particularly into the details connected with the cost of working such steamers doing the voyages out and home in the periods of time mentioned; and I have made estimate of the income likely to be derived from passengers and cargoes. The accompanying statements appertaining thereto show the results arrived at. The rate calculated upon for first-cabin passengers is rather in excess of that at present charged by the steamers from England to Melbourne, but is relatively lower if the superior accommodation is taken into account. The number of and rate for third class passengers outward (emigrants) I am assuming the New Zealand Government will guarantee, modified from time to time by the number that may be offering of emigrants paying their own passage.

I do not know what the views of the Government on the matter may be, but I apprehend that, for some time at least, an alternate month's service will meet requirements. At all events such is, in my opinion, quite as much as the colony can support in passengers and cargo towards realizing the data upon which my estimate of income is founded. By this arrangement only two full cargoes of wool per annum would be obtained; during the remainder of the year the steamers would have to depend chiefly

upon wheat as homeward cargo, for which a higher rate of freight than £2 5s. per ton (with proportionate rate for preserved meats, &c.) could not be relied upon.

It will be seen from the statements that the estimated income amounts to £118,130, and that the yearly expenditure is £114,222, leaving a balance at credit of £3,908.

The cost of steamers of the size and power stated, of best construction that the Clyde can produce, and fitted out and furnished with every accessory to insure safety and comfort, would not, even in these unprecedentedly cheap times for building, be under £115,000 each, involving a capital of not less than £365,000 to work the service.

The net yearly proceeds as shown in the foregoing are £3,908

The provision for depreciation and boiler fund, and to meet periodical overhaul, should be, as with all prudently-conducted steam trading, 10 per cent. on cost, three steamers at £115,000 = £345,000 £34,500

And thus a yearly deficiency would arise of £30,592

Investments in steam enterprises, so liable to hazards and vicissitudes, against which it is impossible to provide, cannot be induced, except by an almost certain prospect of a minimum return of 10 per cent. per annum, which return on the capital of £365,000 amounts to 36,500

£67,092

The yearly expenses connected with the management and administration of such a concern as that contemplated cannot be put under £10,000, and thus a subsidy of £80,000 per annum would be needed to carry out the proposed service.

My long experience in the working of steamers enables me to feel confident that the estimate of expenditure is fairly correct—certainly not overstated; that if income is to some extent problematical in regard to number of first- and second-cabin passengers (especially homewards), and the rates of passage-money obtainable for these; also as to the quantity of cargo that could be depended upon at the freights named. But I am rather inclined to believe that, for a considerable time at all events, the result as to income is more likely to fall short of, than to exceed, the estimate. However, if the expectations of the Government on this head are of a more sanguine nature than mine, it could be arranged that a moiety of amount available beyond requirements, as stated under the heads of depreciation, &c., management, and dividend, be credited to the Government, and thus (by so far as might be) reducing the amount of subsidy.

Three steamers will suffice to work an alternate month's service but, in case of need, by accident to one of the steamers, or from some other unavoidable cause, the contractors would require to have the liberty of substituting for a voyage a smaller or less powerful steamer, as it might happen that a vessel altogether up to contract requirements would not be available to charter.

The port of departure and arrival in this country would be London, calling at a port in the channel (outwards and homewards) to embark and disembark passengers and mails. I understand that it is proposed to leave to the contractors the fixing of the port of arrival and departure in New Zealand. This is a matter for very full consideration, and in respect to which the question of dry docks and wharfage accommodation arises; the immediately available use of both of which as required is indispensable to the working of such a service, and for which provision would have to be made for the contractors. The length of dock and jetty must be not less than 410 feet, and the draft of water for admittance to former 22 feet, and alongside latter 24 feet.

In the existing serious and unsatisfactory condition of commercial as well as political affairs, when no one knows "what a day may bring forth," Mr. Denny and I are not at present prepared to commit ourselves to a tender for this service; but, should the New Zealand Government be disposed to grant such a subsidy as the data I have given evidences to be needed, and with not less than an eight years' contract, there is every probability that, associated with friends, by the time you are in possession of the views of the Government on the matter as thus laid before you, we will be in a position to treat definitely with you for the service, which, with such steamers as those designed, would be superior to any now existing.

I do not doubt Mr. Macandrew will feel satisfied that Mr. Denny and I have given our best thought and practical experience to the consideration of what is required to work such a service efficiently, and that we have had an honest desire to arrive at a fair and impartial conclusion as to what Government aid is, in our opinion, indispensable to secure this; and I have the same assurance of Mr. Macandrew's trust that, whatever we undertake to do, will be carried out satisfactorily.

I have, &c.,

The Agent-General for New Zealand, London.

JAMES GALBRAITH.

No. 6.

Sir JULIUS VOGEL to the Hon. J. MACANDREW

7, Westminster Chambers, London, S.W., 5th December, 1878.

MY DEAR MACANDREW,—

I send you by this mail plans, offer, &c. from Galbraith. He proposes a splendid service, and you will do wisely to see it carried out. It would be a great thing for the colony, when people ask what is the pleasantest voyage they can take, that the answer should be to New Zealand.

My idea is that the service should in every respect be first-class.

I think the subsidy might be a little less than what is asked: a tri-monthly service might do at first.

I enclose you two articles of mine which appeared in the *Globe*.

I have, &c.,
JULIUS VOGEL.

Enclosure in No. 6.

Messrs. DENNY BROTHERS to Mr. J. GALBRAITH.

DEAR SIR,—

Dunbarton, 2nd December, 1878.

Herewith you have designs for the proposed mail steamships between the United Kingdom and New Zealand, and we give you the leading particulars, with a short general description.

The builders' dimensions are 400 x 45 x 34 feet, gross register tonnage about 4,215; the horse-power nominal to be 700, capable of developing 4,000, diameter of cylinders about 58 and 100, and 5-foot stroke; boilers with about 12,000 feet heating surface, and about 400 feet fire-grate. The whole machinery to be constructed with a special view for working safely in such a long voyage. The ship and machinery to have the highest class at Lloyds, and built under their special survey. Passenger accommodation—84, first class; 34, second class; 450, third class: the whole accommodation arranged and got up so as to afford the maximum of comfort attainable at sea. For the first and second class the furnishings for table and beds to be of the best manufacture, and liberal in supply. Most of the first class will be only two in a state-room, a few with only one, and a number of family-rooms will be provided. In respect of comfort to passengers in every way, all advantage will be taken of the experience of others and of ourselves to render the ships as perfect as can be.

The draft of water, fully laden and coaled, will be 24 feet. The ship would lighten at the end of the voyage about 3½ feet, the double bottom being filled with water. This double bottom will be throughout the ship, in order to adjust her trim as the coal gets consumed. It will also add to the strength of the ship, as well as being of great safety in case of damage being sustained in the bottom. Care will be taken to divide the ship with a proper number of watertight compartments, with simple contrivances to isolate various parts of her in the event of collision or other mishaps.

At an average draft of 21 feet the speed in trial will be 14½ knots; at sea, under ordinary circumstances, the average speed will be 12½ knots.

The sail-power will be sufficient to work the ship in the event of an accident to the machinery. The lower masts and yards of iron, with a complete outfit of spare sails.

For such a long voyage storage for an abundant supply of fuel must be given, and this is met by provision for about 2,400 tons in fixed coal spaces, which will be sufficient for the voyage under ordinary circumstances, and with about 400 tons to spare.

In addition to the liberal supplies mentioned for passengers, the other departments of the ship, in nautical instruments, sailmaker's and boatswain's stores, cordage, &c., will be efficient for such a service.

In the machinery department spare shafts, propeller-blades, valve-gear, and other duplicates to insure easy remedy at sea or abroad, will be placed on board.

In short, we have endeavoured in the designs submitted to you—and will make it our study if the service is to be established—to carry out the views laid down at the interviews between Sir Julius Vogel, you, and our senior, as to the ships being so carefully designed, constructed, and put to sea, as to justify the New Zealand Government in initiating a service which shall give satisfaction and lead to its extension.

We are, &c.,

James Galbraith, Esq., Glasgow

WM. DENNY AND BROTHERS.

TABLE A.—Earnings, Outwards, with Emigrants, Cabin Passengers, and Cargo.

	Tons.	Tons.	EARNINGS.						
				£	s.	d.	£	s.	d.
Space in hold for cargo, &c., allowing for broken stowage	...	1,410	70 first-cabin passengers, at £70	4,900	0	0			
Deduct room allowed for stowage passengers' stores and water	225		25 second-cabin passengers at	875	0	0			
Ditto for first- and second-cabin passengers' stores and water	71		£35						
Ditto for steerage passengers' baggage	112		450 steerage passengers, at £18	8,100	0	0			
Ditto for first- and second-cabin passengers' baggage	95	503	907 tons cargo, at £3 10s. ...	3,174	0	0	17,049	0	0
			Less 10 per cent. brokerage commission to agents, and return primage	...			1,704	0	0
							15,345	0	0
			Less cost of victualling for first- and second-cabin and steerage passengers	...			4,925	0	0
			Net earnings outwards	...			£10,420	0	0

TABLE B.—Earnings, Homewards, with Passengers and Wool.

Space available for Cargo, 2,523 tons measurement.

EARNINGS.				70 first-class passengers £4,900				£	s.	d.	£	s.	d.
	£	s.	d.	£	s.	d.	at £70						
2,000 tons measurement greasy wool, equal to 1,000 tons weight, at $\frac{3}{4}$ d. per lb.	5,833	0	0				25 second ditto, at £35	875					
							50 steerage ditto, at £20	1,000					
									6,775	0	0		
									13,826	0	0		
							Less 10 per cent. commission and return primage	1,382	0	0			
											12,444	0	0
							Less cost of victualling, at same cost as outwards	...			2,125	0	0
											£10,319	0	0
	7,051	0	0										

TABLE C.—Earnings, Homewards, with Passengers and Wheat.

	Tons.	£	s.	d.		£	s.	d.	
Dead weight capacity for coal and cargo	4,400				2,109 tons wheat, at £2 5s	4,745	0	0	
Less coal	2,200				Passage-money (same as with wool)	6,775	0	0	
						11,520	0	0	
Less estimated weight of passengers' stores and baggage	91				10 per cent. for commission, return primage, &c.	1,152	0	0	
					Victualling passengers		10,368	0	0
							2,125	0	0
	<u>2,109</u>				Net earnings homewards		£8,243	0	0

TABLE D.

	£	s.	d.	£	s.	d.	New Zealand, 2,200	£	s.	d.	£	s.	d.
Insurance, hull £115,000 at	2,850	0	0				Less stock on board						
55/, less discount													
Freight and passage-money ..	325	0	0	3,175	0	0		1,800 t'ns at 33s.	2,970	0	0		
							Port Said, 300 tons, at 32s.	480	0	0			
London,—											3,450	0	0
Dock dues, lights, and towage (out)	225	0	0				Charges at St. Vincent	...	...		6,472	0	0
Loading ...	200	0	0				New Zealand,—				50	0	0
Docking (including painting of deck and engine-room and general overhaul)	500	0	0				Harbour charges, docking, &c.	450	0	0			
Sails, ropes, &c. ...	250	0	0				Discharging cargo, 903 tons, at 1s. 3d.	56	0	0			
Chandlery, engine and deck stores	570	0	0				Loading and dumping 1,174 tons wool (5 bales to the ton), at 3s. per bale	880	0	0			
Cabin and galley furnishings, hose, &c.	200	0	0				Storing 5,870 bales wool, at 1s. per bale	293	0	0	1,679	0	0
Officers' badges ...	25	0	0				Charges at Aden ...	...	...		50	0	0
Dock dues, lights, &c., (in)	210	0	0				Port Said, canal dues, &c. ...	...	...		1,570	0	0
Discharging ...	135	0	0				Victualling,—						
Advertising ...	300	0	0	2,615	0	0	12 officers at 7/6 per day for five months	675	0	0			
							90 crew at 1/3 per day for five months	843	0	0	1,518	0	
* Coals,—							Portage bill, per statement ..	...	...		2,342	0	0
London, 2,250 tons at 21s.	2,362	0	0				Board and harbour wages in London for one month	...	...		260	0	0
St. Vincent, 400 tons at 33s.	660	0	0										
				3,022	0	0							
Leaving a stock on board of 400 tons											£19,731	0	0

* With Australian coals homewards, the consumption will be

* With Australian coals homewards, the consumption will be considerably in excess of that outwards with Welsh coals.

PORTAGE BILL.

	£	s.	d.		£	s.	d.
1 captain per month	50	0	0	1 second-class	3	10	0
4 officers, £14, £10, £8, £6	38	0	0	3 saloon-waiters, 70s. 50s. 40s.	8	0	0
1 carpenter	7	0	0	1 second-class waiter	2	0	0
1 carpenter's mate	4	10	0	1 engineer's steward	3	0	0
1 boatswain	5	10	0	1 officer's steward	3	0	0
2 boatswain's mates, £4	8	0	0	1 storekeeper	7	0	0
1 sailmaker	5	5	0	2 storekeeper's assistants, 60s. and 1s.	3	1	0
4 quartermasters, £3 15s.	15	0	0	2 cooks, £9 and £5	14	0	0
13 A.B.s, £3 10s.	45	10	0	1 ship's cook	5	0	0
7 A.B.s. 1s.	0	7	0	1 scullion	0	1	0
3 ordinary seamen, 50s. 50s. 30s.	6	10	0	1 butcher	5	0	0
2 lamp-trimmers, £4 15s. and 1s.	4	16	0	1 butcher's assistant	2	10	0
4 engineers, £20, £14, £12, £10	56	0	0	2 pantrymen, 80s. and 60s	7	0	0
1 boiler-maker	8	0	0	1 boots	1	10	0
1 engineer's storekeeper	5	0	0	1 officer's servant	1	0	0
1 engine-driver	5	0	0	1 bath-boy	1	0	0
14 firemen, 2 at 90s. and 12 at 85s.	60	0	0	1 captain's servant	1	0	0
6 trimmers, 85s.	25	10	0	2 stewardesses, 17s. and 20s.	4	10	0
1 surgeon	0	1	0	1 barman	3	0	0
1 first steward and purser	10	0	0	1 baker	6	0	0
2 stewards, £7, £5	12	0	0				
4 saloon stewards, 70s. 70s. 50s. 40s.	11	10	0				
1 bedroom steward	4	0	0				
				5 months, £2,342 15s.	£468	11	0

EXPENDITURE AND INCOME.

	£	s.	d.		£	s.	d.
Table D.—Expenditure in two voyages out and home with wool, at £19,731 per voyage	39,462	0	0	Table A.—Income in six voyages outwards, at £10,420 each	62,520	0	0
Expenditure in four voyages out and home with wheat, at £18,690 per voyage (the smaller amount being consequent in saving in expenses loading wheat cargo)	74,760	0	0	Table B.—Income in six voyages homewards with wool, £10,319 each	20,638	0	0
				Table C.—Income in four voyages homewards with wheat, £8,243 each	32,972	0	0
				Freight on £800,000 gold, at $\frac{1}{4}$ per cent....	2,000	0	0
					£118,130	0	0
	£114,222	0	0	Balance at credit	... £3,908	0	0

No. 7.

The Hon. J MACANDREW to Sir J VOGEL and Mr. W J M. LARNACH.

GENTLEMEN,—

Public Works Office, 26th April, 1879.

I have the honor to acknowledge the receipt of your letter of the 5th December, forwarding copy of letter and enclosures from Mr. Galbraith on the subject of a direct steam line to New Zealand.

The case containing the plans of the proposed ships has also been received.

I fully concur with you in believing that the line proposed will probably be superior to any other line afloat, and would be of incalculable value to New Zealand. I should, therefore, have been glad had the Government been in a position definitely to deal with the matter at once. As it is, however, until Parliament meets, no action can be taken which would command the colony to the large subsidy named by Mr. Galbraith.

So soon as the Assembly is in session I propose that the question shall be submitted for its decision. At present I would only observe that, although the proposed service by Messrs. Galbraith and Denny is a bi-monthly one, I feel persuaded that a monthly service is a mere question of time, and that the time has now arrived when nothing less will be satisfactory to New Zealand, and to meet the requirements of the enormous traffic which monthly steam cannot fail to develop.

Sir Julius Vogel,
W. J. M. Larnach, Esq.,
London.

I have, &c.,
J MACANDREW,
Minister for Public Works.

No. 8.

Sir. JULIUS VOGEL to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

7, Westminster Chambers, London, S.W., 16th June, 1879.

I have the honor to acknowledge the receipt of your letter of the 26th April, No. 1852, in which you state your views on the subject of a direct steam line to New Zealand, and advise me of the steps which you propose to take on the question.

The Hon. the Minister for Public Works,
Wellington.

I have, &c.,
JULIUS VOGEL,
Agent-General.

No. 9.

Mr. MACKERRUS to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Chamber of Commerce, Dunedin, 12th May, 1881.

Re direct steam communication with Great Britain.

I have the honor, on behalf of this Chamber, to request you, at your earliest convenience, to supply the Committee with copies of letters from Sir Julius Vogel and W. J. M. Larnach, Esq., together with plans from Messrs. Galbraith and Co., addressed to the Hon. James Macandrew Esq., as Minister of Immigration or of Public Works, filed in one or other of these departments. Such letters were written in December, 1878, with special reference to this subject.

I would also ask you if, in the event of such direct line of steamers being established, the Government would so far assist the enterprise as to relieve the steamers of all port charges in the proposed ports of call, viz., Port Chalmers, Lyttelton, and Wellington, returning from the latter port in reverse order.

The Hon. the Minister for Public Works,
Wellington.

I have &c.,
J A. MACKERRUS,
Chairman Sub-Committee.

No. 10.

The UNDER-SECRETARY for PUBLIC WORKS to Mr. MACKERRUS.

SIR,—

Public Works Office, 17th May, 1881.

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 12th May, requesting to be supplied with copies of correspondence relative to direct steam communication with New Zealand between Sir Julius Vogel, Mr. Larnach, and the Hon. Mr. Macandrew, and in compliance therewith to forward to you the enclosed.

I am, however, to explain that the tracings and other enclosures to Mr. Galbraith's letter of the 3rd December, 1878, are not included, the tracings having been framed and placed in the Assembly Library, and the enclosures never having been filed.

J A. Mackerrus Esq.,
Chairman, Chamber of Commerce, Dunedin.

I have &c.,
JOHN KNOWLES,
Under-Secretary for Public Works.