

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

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

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

No. 27.

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

Wellington, 8th July, 1902.

SIR,—

South African Steam Service.

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

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

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

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

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

I have, &c.,

The Agent-General for New Zealand.

J. G. WARD, Acting-Premier.

No. 28.

DRAFT OF CABLE TO AGENT-GENERAL.

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

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

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

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