

1911.

NEW ZEALAND.

THE AMMUNITION CONTRACT.

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

CONTRACT.

AGREEMENT made the thirty-first day of December, one thousand nine hundred and ten, between His EXCELLENCY THE GOVERNOR OF NEW ZEALAND, of Wellington, in 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 deed dated the twenty-third day of May, one thousand nine hundred and five, the Governor, acting under the provisions of the Ammunition-supply Act, 1904, 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 that date, upon the terms and conditions therein appearing: And whereas the said contract has expired by effluxion of time, and by section 87 of the Defence Act, 1909, it is provided that the Governor may at any time during the last year of the term of the contract enter into a fresh contract with the same or any other contractor for a further term not exceeding five years: And whereas the Company is willing to enter into a fresh contract under section 87 of the Defence Act, 1909, 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 deed 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 five years computed from the first day of January, one thousand nine hundred and eleven (being the term of this contract): Provided that the Company shall not be bound to maintain a monthly supply of more than five hundred and eighty-four thousand (584,000) rounds of .303 service ball ammunition and seventy-five thousand (75,000) 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 the 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 seventeen pounds ten shillings (£17 10s.) 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 twenty-third day of May, one thousand nine hundred and ten, and as on the same day 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 ten shillings and sixpence (£5 10s. 6d.) per thousand rounds of .303 service ball ammunition, with an equivalent minimum price for blank ammunition: Provided that in the event of war being declared or commenced between Great Britain and any foreign Power, then during its continuance the High Commissioner for New Zealand, or such expert as may be appointed by him in that behalf, acting in conjunction with any person appointed in that behalf by the Company, may fix and determine a special price (being not less than the then current Company's price) per thousand rounds, and state the time during which such special price shall continue to be paid, and the special price so fixed and determined shall for the time being be in substitution for the Company's price which but for this proviso would be payable.