

On the 24th of the same month the further following memorandum was received from the Agent-General, notwithstanding that the Swedish ship "Albatross" had been accepted by him on that day from this Company to load a cargo of rails for Bluff Harbour from Cardiff at 27s. 6d. per ton:—

"The Agent-General accepts the 'North Wales' at 27s. 6d. to load at Middlesboro'. He desires me to say that he will not entertain any more offers of vessels at more than 26s. per ton. He declines the 'Edgbaston' at the price named—namely, 28s. per ton.

"The New Zealand Shipping Company (Limited)."

"W. KENNAWAY, Secretary.

By no fault of the Agent-General, or this Company, the charter of the "North Wales" fell through; but, the Agent-General having resolutely intimated his intention not to accept further tonnage at a rate exceeding 26s. per ton, effectually prohibits the chartering of any more vessels: ultimately, however, the charter of the "Gloria" was effected at 28s. per ton at Middlesboro'. This being the season of the year during which shipowners are indisposed to change ports, it was practically impossible, under the restrictions of the Agent-General, to obtain the further tonnage required to load in the Bristol Channel; and early in December—after a personal interview with the Agent-General and Mr. Larnach, at which it was intimated that, unless the Company agreed to set aside clause 2 of the contract, and allow the Agent-General to make his own shipping arrangements, representations would be made to the colony which would effectually prevent the Company obtaining any extension or renewal of the contract—this Company was formally notified to provide vessels to ship, in London, the following quantities of railway iron: 18th January—1,900 tons rails for Wellington; 1,350 tons rails for Port Chalmers; 1,350 tons rails for Port Lyttelton; 1,700 tons rails for Auckland.

To which communication I replied, under date 11th December,—

"SIR,— "Ships for Railway Iron. "11th December, 1878.

"Referring to your letter of the 4th instant, notifying this Company to provide ships for the conveyance of about 6,000 tons of railway iron from London, I have to inform you that the necessary tonnage will be at your disposal, but, before fixing the same, I desire to be informed if delivery of the quantity can be relied upon by the date you name.

"I desire also to point out to you that I am quite prepared to provide tonnage for the quantity of rails remaining at Cardiff for shipment at 30s. a ton, conceding any difference to the Government should vessels be obtained at less than 30s.

"From Middlesboro' there exists the greatest difficulty in fixing vessels, and owners have a strong prejudice against loading there, and I am of opinion any difference between the freights from London as per contract and the freight to be paid to any special ships from Middlesboro' direct will be unappreciable. You will also recollect that this Company offered you two vessels to load iron at 28s. from Middlesboro', which you declined. I have therefore to ask that this Company shall have the option of being paid freight at the rate of 30s. per ton from Middlesboro' direct, or at the contract rate from London, if rails come up here for shipment.—I have, &c.

"The Agent-General for New Zealand."

"O. R. STRICKLAND, Manager.

The following correspondence then took place with reference to subsequent shipments:—

"SIR,— "Railway Iron. "17th December, 1878.

"I now beg to offer you the ship 'Minister of Marine,' English flag, 1,682 tons register, 3/3 1, 4 years' old, for conveyance of a cargo of railway iron from Cardiff or Newport to Otago, at 30s. per ton. The vessel is now at Dunkirk, discharging.—I have, &c.,

"The Agent-General for New Zealand."

"O. R. STRICKLAND, Manager.

"SIR,— "7, Westminster Chambers, London, S.W., 20th December, 1878.

"Referring to your telegram of this day respecting the ship 'Minister of Marine,' I am directed by the Agent-General to inform you that he shall still require the ships to sail as per notice given you in terms of contract. If, however, the contractors for the rails and fastenings will consent to alter the port of shipment, of which notice has been given them, the Agent-General will entertain your proposal to ship a certain quantity at Cardiff by the 'Minister of Marine,' under the following conditions, namely:—

"1. That the rate of freight shall not exceed 28s. per ton.

"2. That the ship, and your Company, will take all risks as to her being able to unload at Port Chalmers.

"3. That the maximum amount of cargo that she will require shall be 2,600 tons.

"4. That the necessary insurance can be effected on her cargo at rates not exceeding the premium paid in the case of the ship 'Albatross.'

"5. That the ship shall commence to load before the end of the year.

"The Agent-General, in thus entertaining your proposal, desires you to understand that he does so without prejudice to his claim on your Company for ships to load at London at once, and sail on the 18th January.—I have, &c.,

"WALTER KENNAWAY, Secretary."

"SIR,— "27th December, 1878.

"I have now to offer you the iron ship 'Angerona,' 1,215 tons register, A1, built in 1874— at Bristol, discharging—for the conveyance of a full cargo of railway iron from Cardiff to Port Chalmers, at the rate of 29s. per ton of 20 cwt: one half payable on sailing, in cash, less three months' interest at 5 per cent. per annum.

"I have endeavoured, without avail, to induce owners of this vessel to allow the full discount of 5 per cent. for cash. They also desire sufficient railway iron to stiffen the ship to enable her to proceed from Bristol, to Cardiff. I have informed them this would doubtless be conceded, provided they would bear cost of same, as in the case of the 'Arethusa.'

"I will thank you to inform me if I may close this ship for account of the Government on the terms named.—I have, &c.,

"The Agent-General for New Zealand."

"O. R. STRICKLAND, Manager.