

1881.  
NEW ZEALAND.

# DIRECT STEAM SERVICE COMMITTEE

(REPORT OF, TOGETHER WITH MINUTES OF EVIDENCE).

*Report brought up 30th August, 1881, and ordered to be printed.*

## ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives*

WEDNESDAY, THE 3RD DAY OF AUGUST, 1881.

*Ordered*, "That a Select Committee be appointed to consider and report as to the best means of establishing a direct steam service between New Zealand and the Mother-country. The Committee to consist of Mr. Bain, Sir G. Grey, Mr. Hutchison, Hon. Mr. Johnston, Mr. Montgomery, Mr. Oliver, Mr. Pitt, Hon. Mr. Richardson, Mr. Reeves, and the mover; five to be a quorum; with power to call for persons and papers, and to confer with any similar Committee of the Legislative Council. To report within a month."—(*Mr. Macandrew.*)

TUESDAY, THE 9TH DAY OF AUGUST, 1881.

*Ordered*, "That the names of Mr. Ormond and Mr. Tole be added to the Direct Steam Service with England Committee."—(*Mr. Macandrew.*)

*Extract from the Journals of the Legislative Council.*

FRIDAY, THE 5TH DAY OF AUGUST, 1881.

*Ordered*, "That a Select Committee be appointed to consider and report as to the best means of establishing a direct steam service between New Zealand and the Mother-country; with power to call for persons and papers, and to confer with any similar Committee of the House of Representatives. The Committee to consist of the Hon. Mr. G. Buckley, the Hon. Mr. Menzies, the Hon. Mr. Peacock, the Hon. Mr. Williamson, the Hon. Captain Fraser, the Hon. Mr. Martin, the Hon. Mr. Reynolds, the Hon. Mr. G. R. Johnson, and the mover. To report within a month."—(*Hon. Mr. Holmes.*)

## REPORT.

THE Committee to whom it was referred to consider and report as to the best means of establishing a direct steam service between New Zealand and the Mother-country has conferred with a Select Committee appointed by the other Legislative Chamber, and having, in conjunction therewith, given careful consideration to the subject, and taken evidence thereon, which is appended, have agreed to recommend to the favourable consideration of Parliament the following resolutions:—

- 1 That six ships would be necessary for a monthly steam service.
2. That such ships must be built specially for the New Zealand trade, of a draft of water which would enable them to enter the chief ports in the colony. They should be of at least 4,000 tons register, and in every respect of the highest class. They should combine the necessary requirements for the carriage of passengers, mails, and cargo, at a sea-going speed of not less than 12½ knots.
3. That the probable capital which would be required for the efficient equipment of such service would not exceed one million sterling.
4. That the Government should be empowered to invite tenders and enter into an agreement with any person or persons who may be prepared to undertake such service.
5. That the basis of such agreement should be a guarantee on the part of the colony, for not exceeding seven years, of a minimum rate of interest, say 6 per cent. per annum, upon the actual amount of the cost of the steamers: Provided such guarantee shall not be upon an amount exceeding one million, and that the net annual earnings of the service shall go towards the reduction of the payment of interest so guaranteed: Provided also that, in the event of such net earnings being in excess of the 6 per cent. guaranteed, such excess shall belong to the contractor. In reckoning the net earnings, not more than 10 per cent. shall be allowed for depreciation.
6. In the event of contractors being found within the colony willing to undertake the service on the fore-mentioned basis, *ceteris paribus*, a preference should be given to such.
- 7 The Committee has obtained an accurate return of the exports and imports between New Zealand and the United Kingdom direct, during the past year. From this it will be seen that 198 direct ships have been employed during the year, carrying 5,904 passengers, and 229,199 tons of cargo. The estimated value of the cargo amounts to £8,533,552. Estimates have also been procured as to the probable increase of exports which will result from the successful application of the freezing process: it is estimated that at least 500 tons of frozen meat will be shipped monthly. It further appears in evidence that a considerable amount of merchandise is regularly finding its way from Europe to New Zealand by steamer to Melbourne, which it may fairly be presumed would be shipped by direct steamer, were such a service established.
8. Taking the Postal receipts into consideration, and without speculating upon the extension of our commerce, which is year by year developing itself more and more, the Committee is of opinion that, even at the outset, the earnings of a well-conducted steam service are likely to be such as would materially reduce the sum payable in respect of the colonial guarantee.