

The amount of subsidy we require is as follows :

1. For a direct steam service between New Zealand ports and South Africa, *via* Fremantle, £30,000 per annum, or, say, £2,500 per voyage.

2. For an alternative service between New Zealand ports and South Africa, *via* Fremantle, with permission, if necessary, to call at another port in Australia *en route*, £27,500 per annum, or, say, £2,291 per voyage.

A deposit of £3,000 will be made with you on Monday by the Bank of New South Wales on our account.

Despatch at loading-ports and ports of discharge to be guaranteed.

W. AND A. MCARTHUR (LIMITED).

The Secretary, Industries and Commerce, Wellington, New Zealand.

SIR,—

Christchurch, New Zealand, 29th September, 1902.

As agents for the New Zealand and African Steamship Company, we offer to provide a monthly service between New Zealand, Fremantle, and South Africa, to be carried out by steamers of the following description:—Capacity: Quite modern, of 5,000 tons gross register and fitted for refrigerated cargo, equal to 100,000 carcasses mutton. Passengers: Excellent passenger-accommodation for twenty to thirty saloon, and accommodation can be provided for any number of steerage passengers up to two hundred and fifty, in light and well-ventilated quarters. Mails: Suitable space for mails. Speed: Not less than eleven knots. Steamers are fitted throughout with electric light. Stock: Accommodation for the safe carriage of up to about one thousand head of full-grown cattle on deck and in shelter deck, and ample water-ballast tanks for fresh water for the use of the animals. It is more than likely that by the end of this year modern twin-screw steamers of this year's design will be substituted, of a speed of thirteen knots, and in any case some of these steamers are practically certain to be utilised, which will mean a considerable saving to shippers on the matter of insurance.

Conditions.—Loading-ports: Not exceeding four main ports in New Zealand. Discharging-ports: Not exceeding three ports, Durban, Port Elizabeth, and Table Bay; lighterage at Durban and Table Bay, if at any time necessary, to be at ship's expense and shipper's risk; lighterage at Port Elizabeth to be at shipper's risk and expense. Service: Monthly. Term of contract: Three years. Rates of freight: As per schedule contained in advertisement and attached hereto. Horses and Cattle: Full-grown, £12 10s. This rate provides for fittings, water, and accommodation for fodder to the extent of half a ton weight per animal, but not to exceed 60 ft. measurement. Special accommodation will be provided for stallions and bulls, which will be carried under special agreement with shippers. Penalty and bonus: Not exceeding five hundred pounds (£500) per voyage, on a scale to be mutually arranged. Commencement: Service to commence immediately, and to be to South Africa, *via* Fremantle, with the option of calling at one other Australian port only *en route*. Bunkering: Steamers to replenish bunkers upon arrival in New Zealand at West-port whenever it is possible.

Remuneration.—We are prepared to make a straight-out monthly contract for three (3) years at the rate of thirty thousand pounds (£30,000) per annum. As an alternative, we are willing to carry on a service for twelve (12) months without payment of any subsidy, but if, at the end of twelve months, we find the trade sufficient to enable us to continue the service, then we are to be paid for that twelve months the sum of thirty thousand pounds (£30,000), and for the balance of the term—namely, two years—at the rate of thirty thousand pounds (£30,000) per annum, payable monthly. In other words, the contract may be discontinued at the end of twelve months, if we consider there is not sufficient trade to warrant its continuance, in which case the Government will have had the benefit of the experiment without any cost to the colony.

Deposit.—Bank cheque for three thousand pounds (£3,000) attached.

We have, &c.,

KINSEY, BARNS, AND Co.,

As Agents for the New Zealand and African Steamship Company.

The Secretary, Industries and Commerce Department, Wellington.

The rates of freight from New Zealand ports to South Africa to be not more than as follows:—

	£	s.	d.
Wheat, at per ton weight	1	10	0
Flour, at per ton weight	1	10	0
Barley, at per ton weight	1	12	6
Oats, at per ton weight	1	15	0
Bran, at per ton weight	2	0	0
Potatoes, in sacks, at per ton weight	2	0	0
Hay, oaten or meadow, pressed in bales, at per ton of 50 cubic feet measurement	1	17	6
Potatoes, in boxes, at per ton of 50 cubic feet measurement	1	17	6
Horses and full grown cattle, each	12	10	0
Frozen meat and dairy-produce at current summer rates ruling between New Zealand and London.			
Other goods at rates current between New Zealand and London.			

Wellington Club, Wellington, 4th October, 1902.

SIR,—

South African Service.

With reference to my firm's tender for above, I beg to inform you that I shall be in Wellington until Tuesday, 7th instant, and can personally answer any inquiries you may wish to make respecting our tender.

I have, &c.,

The Secretary, Industries and Commerce Department, Wellington.

J. J. KINSEY.