

line to and from Melbourne *via* Auckland, or one-fifth of such net freight and passage money as aforesaid to and from Melbourne *via* Sydney and Auckland, as the case may be; and all such portions of freights and passage moneys to be paid by the Contractors in *pro rata* payments as soon as collected by them, regular accounts, as far as practicable, to be rendered to the said Company, at their office in Sydney, every twenty-eight days. All such payments to be subject to the due performance, by the said Company, of this agreement in every particular.

That the word "net" herein used shall mean gross, with a deduction of seven and a half per centum only.

That the said Contractors shall be at liberty to deduct from any payments aforesaid, any moneys which may from time to time be or become payable to them by the said Company under this agreement, in consequence of any default in the observance or performance by them of any part of this agreement.

That each of the said subsidies shall be such only as shall be mutually agreed upon between the Contractors, the said Company, and the Postmaster-General for the time being of New Zealand.

That, until such a subsidy shall have been granted by the Government of Victoria, it shall be lawful for the said Company to convey the said goods and passengers, and such mails as the Contractors may require to be conveyed, to and from Melbourne *via* Sydney instead of direct: Provided that in such case the said Company shall be paid one-fifth instead of one-fourth of the net freight and passage money as aforesaid: Provided also that, in case of such subsidy not being obtained, the said Company shall not, as between themselves and the Contractors, be bound to carry mails to or from Melbourne in connection with the Contractors' said line for more than six calendar months from the date hereof.

That in case at any time during this agreement the said several Governments of New South Wales, Victoria, and Queensland, or any or either of them, shall fail to pay subsidies to be agreed upon as aforesaid, or in case any one or more of such subsidies shall not be agreed upon as aforesaid, it shall be lawful for either of the said parties hereto to give to the other notice in writing of their intention to put an end to this agreement, or for the Postmaster-General of New Zealand himself to give a like notice to the said parties, and this agreement shall thereupon, at the expiration of six calendar months from the time of the giving of such notice, cease and be void, except as to any prior breach, and subject to the final adjustment of accounts or otherwise; and such notice, and any other notices connected with this agreement, may be given by or to the agent of the Contractors in San Francisco, and by or to the Secretary or Manager or other officer at the office of the said Company in Sydney, and that copies of all such notices given by the parties hereto shall be forthwith given to the Postmaster-General of New Zealand: Provided that, with regard to any such notice to be given by the Postmaster-General of New Zealand, the time at which the same shall expire shall be specified therein, and shall not be less than six calendar months.

That the said Company shall, so far as it is or shall be compatible with this agreement, observe and perform all the provisions of any contract or agreement which may be entered into by the Postmaster-General of New Zealand with the consent of the Contractors, or by the Contractors with the consent of the Postmaster-General of New Zealand, with any of the Australian Governments, for the carriage of mails to and from San Francisco *via* Auckland.

That the said Company shall have the whole benefit of any premiums which may, under any agreement with the Governments of New South Wales, Victoria, and Queensland, and either of them, become payable for early delivery of mails in that portion of the service performed by them.

That the said Company shall use their utmost endeavours to prevent their commanders, officers, and servants from carrying any letters or other mail matter to or from Auckland, and shall not employ any person who shall be found doing or to have done so; and that the said Company shall by such vessels carry all mails which shall be delivered to them, or which they shall be required to carry, by the Contractors, or their agent or agents, or any Government from time to time under contract with the Postmaster-General of New Zealand with the consent of the Contractors, or with the Contractors with the consent of the Postmaster-General of New Zealand, or under any agreement with the Government of New Zealand for the carriage of mails to and from San Francisco *via* Auckland; and that the said Company shall not carry any other mails from or to San Francisco, or any ports or places between Auckland and San Francisco, otherwise than under and subject to this agreement.

That the said Company shall give precedence to all the passengers and goods traffic of the Contractors, both to and from all or any of the places aforesaid; but shall, without prejudice to this agreement, and so as not to endanger, impede, or interfere in any way with such traffic, be at liberty to fill up for their own benefit.

That the said Company shall not be at liberty to assign or underlet this contract or any part thereof.

That, during the existence of this agreement, neither party to it shall run steam vessels, nor contract with any other person or persons to run steam vessels, either directly or indirectly, in competition with the other party to this agreement, to or from any of the ports or places mentioned or referred to in this agreement.

That the term "all mails" throughout this contract, shall be taken to mean all letters, newspapers, books, printed or written papers, and other things usually transmitted by post, and the boxes, bags, and packages in which the same are enclosed, and also all empty bags, boxes, and packages, and other stores and articles used in carrying on the Post Office service, which shall be sent to or from any post office; and no letters, newspapers, or printed or written papers, other than books, shall be knowingly carried in any form or manner other than as mails, without the consent of the Contractors.

That the Contractors are, at their own expense, to appoint and employ their own agents in the several places aforesaid, and such agents shall have the supervision and direction of all business connected with this agreement, such as determining the rates of freight and passage money (subject as regards the rates of freights and passage money as herein mentioned), the making engagements with passengers and shippers, the collection of passage and freight moneys, and otherwise. And that the said Company will give every information and facility in the power of the Company for the proper and quick despatch of such business, without further remuneration than herein appears, including the use of the warehouses of the said Company for freight, until the departure of the next steamer.