

with the reference to them, and the joint and concurrent award of the said arbitrators, or the separate award of the said umpire when the said arbitrators cannot agree, shall be binding and conclusive upon both parties; and every such arbitration shall be held in Melbourne aforesaid.

19. The Contractors shall have no claim to any postage nor to any payment on account thereof for mails carried under this contract except as herein provided.

20. That this Agreement shall commence on and from the first day of January, one thousand eight hundred and seventy-four, and shall continue until the first day of February, one thousand eight hundred and eighty, and shall then determine if the Postmaster-General shall by writing under his hand have given to the Company, or if the Company shall have given to the Postmaster-General, twenty-four calendar months' notice that this Agreement shall so determine; but if neither the Postmaster-General nor the Company shall give any such notice, this Agreement shall continue in force after the said first day of February, one thousand eight hundred and eighty, until the expiration of a twenty-four calendar months' notice in writing as aforesaid, which may be given by either of the said parties hereto to the other of them, and which last-mentioned notice may be given at any time after the expiration of the first four years. This Agreement shall then determine accordingly, without prejudice nevertheless to any right of action or other proceeding which shall then have accrued to either party for any breach thereof.

21. And it is hereby further agreed that in case the Company shall fail to commence the performance of the services herein agreed to be by them performed on the first day of January, one thousand eight hundred and seventy-four, then and in such case the Company shall forfeit and pay unto Her Majesty, her heirs and successors, the sum of one hundred pounds, and also the further sum of one hundred pounds for every successive period of twenty-four hours which shall elapse after the first day of January, one thousand eight hundred and seventy-four, until the actual and *bonâ fide* commencement of the performance by the Company of the services herein agreed to be by them performed: Provided always that the total amount of the penalties to be incurred by the said Company by reason of such failures as aforesaid respectively shall not exceed the sum of twenty-five thousand pounds.

22. That the Company shall not assign, underlet, or dispose of this Agreement or any part thereof without the consent of the Postmaster-General signified in writing under his hand, and that in case of the same or any part thereof being assigned, underlet, or otherwise disposed of, or of any breach of clause numbered 12 of these presents, or of any great or habitual breach of this Agreement or of any covenant, matter, or thing herein contained, on the part of the Company, their officers, agents, or servants, and whether there be or be not any penalty or sum of money payable by the Company for any breach, it shall be lawful for the Postmaster-General, by writing under his hand, to determine this Agreement without any previous notice to the Company or their agents.

23. That if on the determination of this Agreement any vessel or vessels should have started or should start with the mails in conformity with this Agreement, such voyage or voyages shall be continued and performed and the mails be delivered and received during the same as if this Agreement had remained in force with regard to any such vessels and services; and with respect to such vessels and services as last aforesaid, this Agreement shall be considered as having terminated when such vessels and services shall have reached their port or place of destination and been performed.

24. It shall be lawful for the Postmaster-General, by writing under his hand, at any time and from time to time, to delegate any of the powers vested in him by virtue of this Agreement to such person or persons as he may think fit.

25. That all notices or directions which the Postmaster-General, his officers, agents, or others, are hereby authorized to give to the Company, their officers, servants, or agents, other than any notice of termination of this contract, may, at the option of the Postmaster-General, either be delivered to the master of any of the said vessels or other officer or agent of the Company in the charge or management of any vessel employed in the performance of this Agreement, or left for the Company at their office or house of business in Melbourne, or at their or any of their last-known places of business or abode in Melbourne; and any notices or directions so given or left shall be binding on the Company: Provided always that any notice of termination of this contract shall be served on the Company, their officers, servants, or agents, at their office or last-known office in Melbourne.

26. That any submission to arbitration in pursuance of this Agreement shall be made a rule of the Supreme Court of the Colony of Victoria, pursuant to the Statute in that case made and provided, on the application of either party.

27. And for the due and faithful performance of all and singular the covenants, conditions, provisoes, clauses, articles, and agreements hereinbefore contained, and which on the part and behalf of the said Company, their officers, agents, or servants, are or ought to be observed, performed, fulfilled, and kept, the said Company do hereby bind themselves and their successors unto Her Majesty in the sum of twenty-five thousand pounds sterling, to be paid to Her Majesty, her heirs and successors, by way of stipulated or ascertained damages, hereby agreed upon between the Postmaster-General and the said Company, in case of the failure on the part of the Company in the execution of this contract or any part thereof.

28. The words "Postmaster-General" herein shall mean the Postmaster-General of the Colony of Victoria for the time being, or the Responsible Minister of the Crown for the time being administering the Post Office Department.

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## No. 2.

The Hon. D. POLLEN to the Hon. the CHIEF SECRETARY, Victoria.

SIR,—

Colonial Secretary's Office, Wellington, 28th October, 1874.

I have the honour to acknowledge the receipt of your letter of the 7th instant, in which you inform me that in any future case in which the New Zealand mails may be late, the Post-