

tion, and also to empty bags, empty boxes, and other receptacles, stores, and articles used or to be used in carrying on the post-office service, or which shall ordinarily be sent by or to and from the Post Office.

17. The said contractor shall not, nor shall the masters or officers of either or any of the steamships, receive, or permit to be received, on board any of such steamships at any New Zealand port any letters for conveyance other than those contained in Her Majesty's mails, or which are or may be privileged by law, nor mails of any other country, except such as may be specified by the Postmaster-General for the time being, and the said contractor shall in all respects be subject to all the postal laws of New Zealand, and to the regulations lawfully made thereunder.

18. The contractor shall not convey in any steamship employed by him under this contract any nitro-glycerine, or any other article which shall have been proclaimed as an explosive or explosive substance, or shall have been legally declared specially dangerous, or so declared by the Postmaster-General in writing.

19. This contract shall not, nor shall any right or interest therein, be assigned without the consent in writing of the Postmaster-General to such assignment having been first obtained, unless it be to a joint-stock company of which the said contractor shall be a stockholder.

20. The said contractor shall from time to time furnish to the Postmaster-General full and complete copies of the manifests of the cargoes and passenger-lists carried by each of the steamships on its outward and homeward voyages, certified by the proper Customs officials, and also such documents in confirmation and evidence as may be reasonably required by the Postmaster-General, to show the volume, extent, and value of the trade carried on by the steamships, and such other Customs certificates, documents, and evidences as may be necessary or may be reasonably required by the Postmaster-General to prove the performance of the service herein contracted for, and to enable the Postmaster-General to judge whether this contract is being properly and faithfully carried out and performed, and the furnishing of such particulars, documents, information, and evidence as hereinbefore specified shall be a condition precedent to the payment of the subsidy herein provided for, or any portion thereof.

21. And the said Postmaster-General, for himself and for his successors, covenants to the said contractor, his executors, administrators, and assigns, that he and they, well and faithfully performing all and every the covenants, agreements, and stipulations hereinbefore on his and their part set forth and contained, he will well and truly pay or cause to be paid to him or them during the continuance of this contract a subsidy at the rate of £20,000 per annum if a port in Australia is made the terminal port, or a subsidy at the rate of £30,000 per annum if a port in New Zealand is made the terminal port, to be paid in proportionate instalments in respect of each round trip fully performed. Provided however that no amount or instalment of subsidy shall be payable at any time unless it appears to the satisfaction of the Postmaster-General that up to the time of such payment there had been no breach on the part of the said contractor of any of the covenants, provisions, or stipulations of this contract.

22. If at any time or times the mails required to be conveyed by the contractor under this agreement between New Zealand and British Columbia shall not be conveyed from the pilot waters of New Zealand to the pilot waters of British Columbia, or *vice versa*, within the respective periods of transit hereinbefore prescribed in that behalf, then, and so often as same shall happen, there shall be deducted from the subsidy (which, but for this provision, would be payable to the contractor) the sum of £30 for every completed period of twenty-four hours by which the time actually occupied in the conveyance of such mails from New Zealand to British Columbia, or British Columbia to New Zealand, as the case may be, shall have exceeded the period of transit hereinbefore prescribed in that behalf. Provided always that no deduction shall be made from such subsidy by reason of such default or failure as in this clause mentioned which may be proved to the satisfaction of the Postmaster-General to have arisen wholly or in part from any cause or causes beyond the control of the contractor.

23. Each of the deductions hereinbefore mentioned and hereby agreed to be made shall be made the subsidy, reduced accordingly, although no damage or loss shall have been sustained by reason of or in connection with such default, and, excepting in such cases as in the preceding clause (herein expressly provided), from whatever cause or causes any such failure or default shall have arisen, and no such deduction shall in any case be deemed to be a penalty or in the nature of a penalty.

24. This contract shall remain in force for a period of ten years from the date of the first outward voyage from New Zealand, and provided that the Postmaster-General shall have the right at any time to determine this contract, and every matter and thing therein contained, if it shall appear to him that there has been any breach on the part of the said contractor of any of the covenants, stipulations, agreements, or provisions herein contained and entered into on the part of the said contractor.

25. All notices or directions which the Postmaster-General, his officers, agents, or others are hereby authorised to give to the contractor, his officers, servants, or agents, other than any notice of the determination of this contract, may, at the option of the Postmaster-General, his officers, agents, or others, either be delivered or sent by post to the master of any of the vessels, or any other officer or agent of the contractor in charge or management of any vessel employed in the performance of this contract, and left for the contractor at, or sent by post to the contractor's agent's offices or house of business in the port in New Zealand at which the steamships shall call, and any notices or directions so given, left, or sent by post shall be binding upon the contractor. Provided always that any notice of termination of this contract shall be left for the contractor at the office or last-known office of the contractor in London, or registered and sent by post to such office.