should the steamer be detained beyond the forty-eight hours the foregoing penalty to be claimed and deducted. The discharging in Westralian and South African ports to proceed with all despatch, as customary at the different ports, and the steamer to proceed on her voyage to Cape Town via intermediate ports within six hours of the completion of discharge of cargo at each port. Should the steamer be detained beyond the six hours the same penalty to be claimed and deducted as above. A clause on these lines protects the Government against delay in the loading ports in Australia, and delay in any intermediate discharging-ports, which are delays that it is very necessary to minimise as much as possible.

Clause 21: No reference is made to primage. I suggest all rates of freight be net if prepaid, and subject to 5 per cent. primage if paid in South Africa, with the exception of Western Aus-

tralia, which should be as usual, net prepaid or otherwise.

Freight horses or fat cattle (not necessarily fat): Does the steamer find all, or which, of the

following—water, fodder, and attendance?
Rates of freight to Western Australia, if possible, should be the same as current between Sydney and Melbourne and Westralia, and under any circumstances should not exceed those rates by more than one-third.

The form of bill of lading to be used for shipment under this contract to be submitted to and approved of by the Minister for Industries and Commerce.

The contractor to notify the Minister for Industries and Commerce by cable of the arrival I have, &c., J. G. Ward, Acting-Premier. of each steamer at each South African port.

The Agent-General for New Zealand.

No. 24.

DRAFT OF CABLE TO AGENT-GENERAL.

Referring to draft contract enclosed in your letter 15th May:-

Clause 13: Suggest minimum quantity cargo permit deviation Beira, East London, be 600 and 450 tons respectively.

Clause 8: Should include coaling at Westport.

Clause 14: Penalty too light; rate of ocean speed, 13½ knots, to be maintained stringently.

Clause 15: Steamers to sail from New Zealand ports at hour and day reasonably notified, or penalty £3 per hour. Forty-eight running hours from berthing allowed to load and leave each Australian port. Discharge at all intermediate ports as customary, and depart within six hours of completion, otherwise penalty.

Clause 20: Rates freight—net if prepaid, 5 per cent. primage if paid in South Africa.

Clause 21: Same as current from Sydney, Melbourne, to Westralia, or not exceeding one-third more

Bill-of-lading form to be approved by Minister.

Approved. Send cable to Agent-General accordingly. J. G. W. 3/7/02.

No. 25.

SECOND PROOF OF DRAFT CONTRACT.

[Revisions are printed in italic type.]

This indenture, made the day of , one thousand nine hundred and two, between His Majesty the King, in right of his Colony of New Zealand (who with his heirs and successors is and are hereinafter referred to as "the King,") by the Honourable William Pember Reeves, of Westminster Chambers, 13, Victoria Street, London, the Agent-General for the Colony of New Zealand, of the one part, and Harold C Sleigh, of , of the other part:

Witnesseth that it is hereby mutually covenanted and agreed between the said William Pember Reeves, for and on behalf of the King, and in order to bind the Government of the said colony, and the said Harold C Sleigh, his heirs, executors, and administrators, as follows,

that is to say:

Definitions.

1. In this indenture the following words and expressions shall, unless the context otherwise requires, have the meanings herein given to them: "The Government" means His Majesty the King, his heirs and successors, acting by His Majesty's Government in the said colony. "The Contractor" means the said Harold C Sleigh, his heirs, executors, and administrators. "The Postmaster-General" means the Postmaster-General of the Colony of Western Australia, the Postmaster-General of the Colony of Natal, and the Postmaster-General of the Colony of Cape of Good Hope. "Mails" includes all matter which under the law in force in the said colonies respectively may be transmitted by post.

Duration.

2. This contract shall remain in force for the term of three years from the date hereof.

Description of Steamers.

Ships to be provided.

3. The Contractor will from time to time and at all times during the continuance of this contract provide and maintain in a thoroughly seaworthy condition, to the satisfaction of the Government, and despatch on the voyages hereinafter mentioned, not less than four first-class modern