

that one of the said steamships shall leave Melbourne for Port Chalmers at the expiration of that time, unless detained at Melbourne by the said Postmaster-General, or his agent, to wait the arrival of the English mail there for any time not exceeding a further period of ninety-six hours.

3. One of the said steamships shall leave Port Chalmers on the eighteenth day of each month (except the month of February), not earlier than two p.m. in the day; and on the sixteenth day of the month of February, not earlier than two p.m. on that day.

4. All Post-office Mails from England for New Zealand shall be taken from the European mail-ship, in Hobson's Bay, at Melbourne, by and at the expense of the contractors.

5. All Post-office Mails from New Zealand for England shall be delivered on board the European mail-ship, in Hobson's Bay, by and at the expense of the contractors.

6. The Post-office Mails for the northern ports of New Zealand shall be delivered by and at the expense of the contractors, on board a steamboat, to be provided by the said Postmaster-General, or his successors in office, and to be kept waiting at Port Chalmers for the arrival there of the steam-ship which may be employed in each month under this contract in conveying mails from Melbourne to New Zealand.

7. A chief cabin passage, free of cost, either for passage or victualling, in each of the steam-ships employed under this contract, shall be provided on all occasions when required by the Governor of New Zealand, for an agent or clerk of the New Zealand Post-office; and, also, a safe and proper place of deposit for the mails, and proper accommodation for enabling the mails to be sorted on board of the said steam-ships.

8. The sum of one hundred pounds shall be paid by the contractors to the said Postmaster-General or his successors in office, if on any occasion either of the said steam-ships shall not sail at the appointed time, and an additional sum of one hundred pounds shall be in like manner paid for every delay of twenty-four hours in sailing after the appointed time; and the sum of two hundred pounds shall be in like manner whenever either of the said steam-ships shall not call at the Bluff Harbour, unless prevented from doing so by tempestuous weather.

9. If the contractors shall fail in any month to deliver the homeward mails to the European mail contract steam-ship at Melbourne, before her departure from that port with her homeward mails, the contractors shall pay to the said Postmaster, or his successors in office, the sum of three hundred pounds in addition to any other penalties which they may become liable to under these presents.

10. In the event of either of the said steam-ships becoming disabled, the contractors shall immediately, at their own cost and charge, replace the same by another good and efficient vessel of similar tonnage and power, obtained by hire or otherwise.

11. If there be no Post-office agent or clerk on board, the masters of the said steam-ship shall, without charge to the Government, take care of, and the contractors shall be responsible for, the receipt, safe custody, and delivery of the mails, according to the terms of this contract.

12. The contractors, and all officers of their vessels when employed in the performance of this contract, and all seamen and servants of the contractors, shall at all times punctually attend to the orders and directions of the said Postmaster-General and of any of the officers or agents of the said Post-office, as to the receiving, landing, and delivery of the mails.

13. All sums of money hereinbefore stipulated to be forfeited or paid by the contractors, shall be considered as stipulated or ascertained damages, and may at the option of the said Postmaster-General, or his successors in office, be deducted and retained by him or them, out of any money payable to the contractors under this contract, or payment thereof may be entered as a debt due by the contractors to Her Majesty, with full costs of suit.

14. In case of habitual negligence or wilful default by the contractors in the performance of this contract, the said Postmaster-General, or his successors in office, may, by writing under his or their hand or hands, give to the contractors one month's notice of an intention to determine this contract, and at the expiration of the said month this contract shall end and determine accordingly; but the contractors shall be and continue subject to any liability which they may have incurred previously to such determination, and as though this contract had not been determined.

15. Any notice, which the said Postmaster-General, or his successors, shall require to serve on the contractors, shall be deemed to be duly served when the same is delivered to the master of either of the said steam-ships, the "Aldinga" or "Alhambra," or of any ship which may be substituted for either of them.

16. For the faithful performance of all the covenants, stipulations, and agreements hereinbefore contained, the contractors bind themselves and himself respectively, in the sum of four thousand pounds sterling, to be paid to our Sovereign Lady the Queen, her heirs and successors, by way of stipulated or ascertained damages, in manner following, that is to say, the sum of two thousand pounds in case of wilful failure or default on the part of the contractors in the due performance of this contract, or any part thereof, in respect of each or either of the said mail services hereby contracted for, that is to say, the service from New Zealand to Melbourne, and the service from Melbourne to New Zealand.

17. And in consideration of the due and faithful performance by the said contractors of all the services hereby contracted to be performed by them, the said Postmaster-General, on behalf of the colony of New Zealand, hereby covenants with the said contractors, their executors and administrators, to pay to them, or to their agent in New Zealand, for the said services, at the rate of seventeen thousand pounds per annum, by equal monthly instalments, or payments of one thousand four hundred and sixteen pounds thirteen shillings and four pence, at the Sub-Treasury, in Dunedin, on the first day of each month; and, also, the further sum of two hundred pounds for each and every period of twenty-four hours during which either of the steamships employed under this contract shall have been detained at Melbourne by the said Postmaster-General, or his agent, under the provisions of the second clause hereof.

18. And, further, that during the service hereby contracted for, all mails from New Zealand for Victoria, and for Europe, shall be delivered by and at the expense of the said Postmaster-General, or his successors in office, at Port Chalmers, aforesaid, on board the steamship which may be employed or used by the contractors under this contract.