

tract time; and the Contractors shall pay to the Postmaster-General the sum of two pounds per hour for every hour that shall be required for delivery of any mail in Auckland or San Francisco in excess of the contract time; but if good cause for any such excess be shown to the Postmaster-General, the payment in respect thereof may be remitted at his discretion.

19. In respect to the steamer to be run from Auckland to Sydney, it shall be lawful for the Postmaster-General to declare that in addition to the provision made in the preceding clause for the Ports of Auckland and San Francisco, a similar provision shall apply to the delivery of mails in the Ports of Sydney and San Francisco; and in such case, this contract shall be read as though there had been inserted herein an additional clause, in the same words as the preceding clause, substituting throughout the word "Sydney" for Auckland.

20. All sums payable to the Contractors by way of subsidy shall be paid by monthly instalments, immediately prior to the departure of each steam vessel on her return voyage from Auckland to San Francisco, to an Agent to be appointed by the Contractors to receive the same; and if default shall be made in the payment of any such instalment at the appointed time, the Contractor shall be entitled to receive as liquidated damages the sum of one hundred pounds, and an additional sum of one hundred pounds for every month during which such instalment shall remain unpaid.

21. All payments of premiums for the delivery of mails in less than the contract time, and of sums by way of penalty for delay in the delivery of mails, as for other breaches of this contract, shall be adjusted every twelve months, and the balance paid accordingly: Provided that all sums so payable to the Government of New Zealand may be deducted from any sum due to the Contractors by way of subsidy.

22. No mails whatever to or from any of the Colonies of Australia, or to or from New Caledonia, except as hereinbefore provided, shall be received on board or carried in any of the steam vessels employed under this contract without the written consent of the Postmaster-General; and for every breach of this stipulation with the consent or connivance or through the negligence of the Contractors, they shall forfeit the sum of five hundred pounds as liquidated damages, to be deducted from any sums then due or to become due by way of subsidy under this contract.

23. In pursuance of the Postal Convention existing between the United States Government and the Colonial Government of New Zealand, and in order to insure reasonable contributions from the Australian Colonies and New Caledonia for mail services to be performed for them, neither the Postmaster-General nor the Contractors, without the joint consent of both parties, shall or will transmit or permit to be transmitted, and will use their best endeavours to prevent the transmission of all mails to or from any of the Australian Colonies, or to or from New Caledonia, unless such Colony or New Caledonia respectively shall enter into arrangements with the Postmaster-General, as provided by clause 15; and in case of any wilful breach of this stipulation, the party breaking the same shall forfeit and pay to the other the sum of five hundred pounds as liquidated damages.

24. The Contractors shall abide by and conform to any regulations that may be made jointly by the United States Post Office authorities and the Postmaster-General for the prevention of colonies not contributing to the subsidies payable from participating indirectly in the advantages of the mail service established under this contract.

25. The term "all mails," throughout this Contract, shall be taken to mean all letters, newspapers, books, printed papers, and other things usually transmitted by post, and the boxes, bags, and packages in which the same are enclosed, and also all empty boxes, bags, 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 papers other than books, shall be carried in any form or manner other than as mails, without the consent of the Postmaster-General; but this shall not apply to letters from the Contractors to their agents: and for every breach of this stipulation the Contractors shall pay the sum of one hundred pounds, which may be deducted from any sum then or thereafter payable to them.

26. The Contractors shall provide, to the satisfaction of the Postmaster-General, on board all steam vessels employed under this Contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings.

27. The Contractors shall also provide, to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several steam vessels employed under this Contract; and on being required to do so by the Postmaster-General, shall or will, at their own cost, erect or set apart on each of the said vessels, a separate and convenient room for such purposes. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mail between the mail room and the sorting room.

28. If the Postmaster-General shall think fit to intrust the charge and custody of the mails to the master or commander of any vessel to be employed under this Contract, and in all cases where the officer or other person appointed to have charge of the mails shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge other than that herein provided to be paid to the Contractors, take due care of, and the Contractors shall be responsible for the receipt, safe custody, and delivery of, the said mails.

29. The Contractors shall at their own expense deliver and take all mails to and from the Post Office in San Francisco, and the Postmaster-General shall cause all mails in New Zealand and Sydney to be delivered at or taken from the ship's side, and such delivery shall be taken within two hours after arrival at the appointed place of delivery.

30. The Contractors, and all commanding and other officers in charge of the vessels employed under this Contract, shall at all times punctually attend to the orders and directions of the Postmaster-General, his officers, or agents, as to the mode, time, and place of landing, delivering, and receiving mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

31. 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.