or given to the Company, or left for it at its last-known office or place of business in Wellington, by the one party on the other party, to appoint an arbitrator, such last-mentioned party fail to appoint an arbitrator, then, upon such failure, the party making the request, and having appointed an arbitrator, may appoint such arbitrator to act on behalf of both parties; and such arbitrator may proceed to hear and determine the matters which shall be in dispute, and in such case the award or determination of such single arbitrator shall be final.

30. If, before the matters so referred shall be determined, any arbitrator appointed by either party die or become incapable the party by whom such arbitrator was appointed, his successors in office, or successors or assigns, may nominate and appoint in writing some other person to act in his place; and, if for the space of fourteen days after notice in writing from the other party for that purpose he fail to do so, the remaining or other arbitrator may proceed ex parte, and every arbitrator so to be substituted as aforesaid shall have the same powers and authorities as were vested in the

former arbitrator at the time of such his death or disability as aforesaid.

31. Where more than one arbitrator shall have been appointed, such arbitrators shall, before they enter upon the matters referred to them, nominate and appoint by writing under their hands an umpire to decide on any such matters on which they shall differ, or which shall be referred to him, and, if such umpire shall die, or become incapable to act, they shall forthwith, after such death or incapacity, appoint another umpire in his place, and the decision of every such umpire on the matters so referred to him shall be final.

32. If in either of the cases aforesaid the said arbitrators shall refuse, or shall for fourteen days after the request of either party to such arbitration neglect, to appoint an umpire the Governor for the time being of the Colony of New Zealand shall, on the application of either party to such arbitration, appoint an umpire, and the decision of such umpire on the matters on which the

arbitrators shall differ or which shall be referred to him shall be final.

33. If, when a single arbitrator shall have been appointed, or shall be proceeding ex parte under any of the provisions herein contained, such arbitrator shall die or become incapable to act before he shall have made his award the matters referred to him shall be determined by arbitration in the same manner as if no such arbitrator had been appointed.

34. If, where more than one arbitrator shall have been appointed, either of the arbitrators refuse or for fourteen days neglect to act, the other arbitrator may proceed ex parte, and the decision of such other arbitrator shall be as effectual as if he had been the single arbitrator appointed

by both parties.

35. If, where more than one arbitrator shall have been appointed, and where neither of them shall refuse or neglect to act as aforesaid, such arbitrators shall fail to make their award within three calendar months after the day on which the last of such arbitrators shall have been appointed, or within such extended time (if any) as shall have been appointed for that purpose, by both such arbitrators under their hands, the matters referred to them shall be determined by the umpire to be appointed as aforesaid, and the umpire shall make his award within three calendar months after the time when his duties shall commence, or within such extended time (if any) as shall have been appointed for that purpose by the umpire under his hand.

36. The said arbitrator or arbitrators or their umpire may call for the production of any documents in the possession or power of either party which they or he may think necessary for determining the question in dispute, and may examine the parties or their witnesses on oath, and

administer the oaths necessary for that purpose.

37. The cost of every such arbitration and of the award shall be in the discretion of the arbitrator, arbitrators, or umpire, who may direct to and by whom and in what manner the same or any part

thereof shall be paid.

38. The arbitration shall take place and be conducted at Wellington; and the arbitrator or arbitrators or the umpire, as the case may be, shall deliver his or their award in writing to the Postmaster-General, who shall retain the same, and shall forthwith, on demand, at their own expense, furnish a copy thereof to the Company, and shall at all times, on demand, produce the said award, and allow the same to be inspected or examined by the Company, or any person appointed by it for that purpose.

39. This submission to arbitration may be made a rule of the Supreme Court of New Zealand

on the application of the Postmaster-General or the Company.

In witness whereof the Postmaster-General hath hereunto set his hand and seal, and the Company hath hereunto caused its common seal to be affixed the day and year first above written.

SIGNED, SEALED, AND DELIVERED by the said
as Postmaster-General of New Zealand, in
the presence of

The Common Seal of the Union Steamship Company
of New Zealand (Limited) was hereunto affixed in
the presence of

Directors of the
said Company.

(L.s.)

No. 58.

Mr. Gray to the Managing Director, Union Steamship Company, Dunediu,

Sir,—

I have the honour to enclose herewith, for execution by your directors, two copies of the San Francisco Mail-service Contract. The Postmaster-General will sign on your returning them,