

useless as an efficient service for the conveyance of mails between Wellington and San Francisco, the Postmaster-General may forthwith, without compensation, by notice in writing to the Company, determine this contract: AND it is also agreed that in all matters affecting this clause the decision of the Postmaster-General shall be final and conclusive.

15. In the event of any of the vessels employed under this contract arriving at Papeete too late to connect with the steamers of the Spreckels Company sailing for San Francisco, there shall be deducted by way of liquidated damages, and not by way of penalty, one-half of the subsidy which would otherwise be payable in respect of that voyage by the Postmaster-General to the Company: PROVIDED, however, that no deduction shall be made when such failure to connect is due to the detention of the vessel at Wellington by the Postmaster-General, as hereinbefore provided, or is due to breakdown of machinery, exceptionally bad weather, or to any other cause in the opinion of the Postmaster-General altogether beyond the control of the Company; and in any such event the Company shall, by its agents and officers, do all such things and take all such precautions as may be necessary to insure the safety of the mails during their delay at Papeete.

16. The deduction, as hereinbefore mentioned, of part of the subsidy which would otherwise but for such deduction be paid to the Company for any voyage shall in no way prejudice the right of the Postmaster-General to treat as a breach of this contract the failure in respect of which such deduction has been made.

17. The Postmaster-General for himself and his successors covenants with the Company that while the Company shall well and faithfully perform all and every covenant, agreement, and stipulation hereinbefore on their part set forth to be performed, he, the Postmaster-General, shall pay or cause to be paid to them during the continuance of this contract a subsidy of seven hundred pounds (£700) for each and every voyage begun and ended at Wellington and performed as described in these presents, such payment to be made in Wellington, the first payment for the first of such voyages to be payable within fourteen days after the arrival of the first mail-ship in Wellington from Papeete in the performance of this contract, and the remaining payments to be paid within fourteen days after the succeeding arrivals at Wellington of the said steamers in performance of this contract, the subsidy in respect of the last voyage to be performed not to become payable, however, until such voyage shall have been fully and satisfactorily completed: PROVIDED, however, that no amount shall be payable at any time unless it appears to the Postmaster-General that up to the time of such payment there has been no breach on the part of the company of any provisions or conditions of this contract.

18. No payment shall be made in respect of any voyage not fully performed or not completed at Wellington.

19. This contract shall remain in force until ten round trips shall have been performed according to the true intent of these presents: PROVIDED that the Postmaster-General shall have the right at any time by giving notice in writing under his hand to determine this contract if it shall appear to him that there has been any material breach of the stipulations, agreements, or provisions herein contained and entered into on the part of the Company: AND it is hereby declared and agreed that the Postmaster-General shall at all times be the sole and final judge as to whether there has been any such breach, and his determination shall be final and conclusive.

In witness whereof the Postmaster-General of the Dominion of New Zealand has hereunto set and affixed his hand and seal, and the common seal of the Union Steam Ship Company of New Zealand, Limited, has been hereunto affixed the day and the year as hereinbefore written.

Signed, sealed, and delivered by the Postmaster-General of the Dominion of New Zealand in the presence of— E. N. G. POULTON, Private Secretary, Wellington.	}	J. G. FINDLAY.	(L.S.)
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The common seal of the Union Steam Ship Company of New Zealand, Limited, was hereto affixed in the presence of—	}	J. M. RITCHIE, A. LEE SMITH, Directors.	(L.S.)
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