

17. The Governor-General shall pay for each lot of ammunition delivered under this contract within one month from the date of such delivery but not until a pass certificate has been given to the Company by the Government Proof Officer that the ammunition has passed proof and can be taken on charge as serviceable PROVIDED however that the Governor-General shall be at liberty to deduct from any payment any moneys due and owing by the Company to the Governor-General.

18. The Company shall during the continuance of this contract be allowed free of charge the use of any empty boxes or cases which in the opinion of the Honourable the Minister of Defence may at any time be available in the Magazine or Stores of the Defence Department of New Zealand suitable for the delivery of ball or blank cartridges under this contract such boxes or cases to be forwarded by the Defence Department from time to time to the Works of the Company at Auckland as "Returned empties" and the Company shall pay to the Governor-General one shilling per box for each and every box so delivered to the Company's Works to cover transport freight, &c.

19. The New Zealand Customs duty paid by the Company during the continuance of this contract on machinery and stores *bona fide* imported into New Zealand by the Company for use in the manufacture of ammunition under this contract shall on application be refunded to the Company by the Governor-General. When applying for a refund the Company must submit the Collector of Customs official receipt for all and any duty paid by the Company.

20. The Company may import any fast-running machinery or plant it may deem necessary to further reduce the cost of wages during manufacture of ammunition under this contract PROVIDED that the Company shall not import into New Zealand or erect in its Works any such machinery or plant without the written consent of the Governor-General first had and obtained.

21. If at any time or times during the continuance of this contract the Governor-General requires any special supply of small-arms service ammunition in excess of the quantity which under the foregoing provisions the Company would be bound to supply he shall give an order to the Company specifying the quantity required and the time within which the same is to be delivered. If within seven days after receipt of such order the Company gives written notice to the Governor-General that it is able to execute the order within the required time the Company shall be deemed to have accepted the same and shall be bound to supply the ammunition in terms of the order at the same price subject to the same conditions in all respects as in the case of ammunition to be supplied under the other provisions of this contract. If such notice is not duly given as aforesaid the Company shall be deemed to have declined the order and the Governor-General shall have the right to procure the special supply from the Imperial Military Authorities in such manner and on such terms as he thinks fit or to invite tenders from other sources for the same the Company being in the latter case allowed at the same time to submit its tender.

22. The Governor-General on his part will at all times during the continuance of this contract keep a reserve store of powder cordite nitro-cellulose and other explosives sufficient to enable the Company to commence and continue to manufacture Three million (3,000,000) rounds of service ball ammunition and will (in terms of clause five (5) hereof) supply such explosive or explosives to the Company from time to time so as to enable it to perform its part of the contract and the Company on its part will at all times during the continuance of this contract store and keep in stock a sufficient quantity of all other materials necessary to enable it to commence and continue to manufacture Three million (3,000,000) rounds PROVIDED that if the Governor-General desires to change the pattern of the cartridges to be supplied by the Company to the Governor-General under this contract the Governor-General shall give to the Company one year's notice in writing of such intended change before the Company shall be required to deliver to the Governor-General under this contract cartridges of such new pattern and if such change of pattern will in the opinion of the Company render useless or unsuitable the materials which the Company has in compliance with this clause to keep in stock to manufacture the said Three