

be a debt due from the Contractors to Her Majesty, and may be deducted from any sum or sums of money which may at any time or times be payable to the Contractors, or either of them, their, or either of their executors or administrators, under this Contract, or be otherwise recoverable as a debt due to the Crown, with full costs of suit.

Sums payable by virtue of insurance may be applied towards repayment of mortgage, debt, &c.

And it is hereby agreed, that any sums and sum of money which may be payable, by virtue of every such insurance or insurances, may be received by Her Majesty's Paymaster-General, on the part of Her Majesty, and be applied by him in repayment, or towards repayment, to Her Majesty of the said sum of twenty-five thousand pounds and interest, or such part thereof as may at the time remain unpaid, and in satisfaction or part payment of any other sum or sums of money which may be due from the Contractors under these presents, rendering the surplus, if any, to the Contractors.

Admiralty, &c., may purchase or charter vessels at a rate to be settled by arbitration in case of difference.

And it is hereby agreed, that the said Commissioners for executing the office of Lord High Admiral, or Her Majesty's Colonial Authorities in New Zealand, shall at any time during the continuance of this Contract, if they shall consider it necessary for the public interest, have power, and be at liberty to purchase all or any of the said vessels at a valuation, or to charter the same exclusively for Her Majesty's service, at a rate of hire to be mutually fixed and agreed on by them and the Contractors. And in any valuation for any such purchase, the expense incurred by the Contractors in forming their establishment for the said service, and for repairing and maintaining their said vessels, are to be taken into consideration, and paid for, in addition to the value of the said vessels; and if any difference should at any time or times arise as to the amount of valuation or hire so to be paid, such difference shall be referred to two arbitrators, one to be chosen from time to time by the said Commissioners or by the said authorities, and the other by the Contractors; and if such arbitrators shall at any time or times not agree in the matter or question referred to them, then such question in difference shall be referred by them to an umpire to be chosen by such arbitrators before they proceed with the reference to them, and the joint and concurrent award of the said arbitrators, or the separate award of the said umpire when the said arbitrators cannot agree, shall be binding and conclusive upon all parties, and that the said Commissioners or authorities, in case of hiring any such vessel, shall return the same to the Contractors in the same state and condition as she was in at the time of any such hiring, reasonable wear and tear excepted; and if any difference should arise upon that point, the same shall be settled in the same manner as the amount for the hiring is to be settled, in case of difference.

In case of purchase or hire, Contractors to perform the service by other vessels, subject to Admiralty approval.

And it is further agreed, that in case of such purchase or hire, the service hereby contracted to be performed shall be performed by other vessels of the Contractors of a similar description to the vessel or vessels purchased or hired, if they can, in due and proper time, furnish them such other vessels as to construction, machinery, equipment, and crew, to be subject to the same approval as other vessels employed under this Contract.

Although there may not have been any breach, Admiralty may determine Contract at any time, and in such case compensation to be made to the Contractors, to be settled by arbitration in case of difference. Submission to arbitration may be made a rule of the Court of Exchequer.

And it is hereby agreed, that it shall and may be lawful for the said Commissioners to determine this Contract at any time, by writing under the hands of two of the said Commissioners, although there may not have been any breach of this Contract on the part of the Contractors; but in case of any such determination, a fair and reasonable sum of money shall be paid to the Contractors in consequence of such determination, and, in the event of the said Commissioners and the Contractors differing as to what the amount thereof should be, such amount shall be settled and determined by two arbitrators, one to be named by the said Commissioners, and the other by the Contractors; and, in the event of such two arbitrators differing as to what should be such amount, then the question of such amount shall be determined by an umpire, to be chosen by the said two arbitrators previously to their proceeding with such reference, and the concurrent award of the said arbitrators, or the separate award of such umpire, if such arbitrators differ as aforesaid, shall be binding and conclusive upon all parties.

And it is agreed, that any submission which may be made to arbitration, in pursuance of this Contract, shall be made a Rule of Her Majesty's Court of Exchequer, pursuant to the Statute in that case made and provided, and that any witnesses examined upon any reference may be examined upon Oath.

All postage to be at the disposal of Postmaster-General.

And it is hereby agreed, that the whole postage of, and charges for, all Mails, Despatches, and Letters of every description, conveyed in the vessels employed under this Contract, whether carried from or out of Her Majesty's dominions or otherwise, shall be at the disposal of Her Majesty's Postmaster-General.

This Contract to commence on 28th May, 1858, and continue for 10 years, unless determined by Admiralty at the end of the first seven years.

And it is hereby agreed and declared, that this Contract shall commence on the day of the date hereof, and shall continue in force for ten years from the day on which the postal service is commenced under pay, unless the same be determined by the said Commissioners, at the expiration of the first seven years of the said term, which the said Commissioners are hereby authorised and empowered to do, by giving to the Contractors, or to the survivor of them, his executors, or administrators, a twelve calendar months' previous notice in writing, under the hands of two of the said Commissioners, that this Contract shall terminate at the expiration of the first seven years thereof, in which case this Contract shall cease at the expiration of the said seven years; but, notwithstanding the cesser of this Contract, the Contractors shall be liable for all former breaches thereof by them, if any, as if this Contract remained in force.

Contract not to assigned, &c., without consent.

And it is hereby further agreed and provided, that without the consent of the said Commissioners signified in writing, under the hand of one of their Secretaries, neither this Contract nor any part thereof shall be assigned, underlet, or disposed of by the Contractors, or either of them, their, or either of their executors or administrators, and that, in case of the same or any part thereof being assigned, underlet, or otherwise disposed of, without such consent as aforesaid, or in case of any breach of this Contract on the part of the Contractors, or the survivor of them, their or his heirs, executors, or

In case of assignment, &c., or breach, Ad-