

value thereof shall be settled by arbitration as hereinafter mentioned, but there shall be no reference to arbitration as to what are or are not such deviations, alterations, diminutions, additions, or substitutions as aforesaid; upon which points the decision of the Minister shall be conclusive.

9. The Contractors will not, without such authority or direction as last aforesaid, and then only so far as thereby expressly authorized, deviate from the said plans and specifications, and if any alteration whatever which shall be so authorized will involve an increased expenditure upon the said railway exceeding the sum of £500, the Contractors will not act upon such authority unless and until the consent of the Governor in Council to their doing so shall first be obtained, and unless such consent shall have been so obtained no addition shall be made to "the agreed cost." If, by reason of any such deviation, alteration, diminution, addition, or substitution as aforesaid having been directed as aforesaid, the Contractors shall be delayed in the completion of any section or sections within the time within which the same ought to have been completed, the Contractors shall be allowed an extended time to complete the same proportioned to such delay.

10. The Engineer shall, as soon as the Contractors shall have been placed in a position to commence the making of any section or sections, and at the end of each calendar month thereafter, estimate and deliver a certificate in writing to the Colonial Treasurer, and also to the Contractors, stating the probable amounts of "the agreed cost" which will have to be expended in New Zealand in making so much of such section or sections as in his opinion they ought to make during the then next three calendar months, distinguishing the outlay in respect of each section, if more than one, and the Contractors will, before they commence to make such section or sections, and thereafter on the giving of each successive certificate, deposit with the Colonial Treasurer such a sum or sums as, with the unexpended balances, if any, of any sums previously deposited with him in accordance with this clause, will be equal to the amounts which the Engineer shall have so certified as aforesaid, and when and so often as the Contractors shall require any payment to be made to them on account of any such expenditure as aforesaid, the Engineer shall certify in writing the value of the work executed and material supplied since the date of his last certificate (distinguishing the payment to be made in respect of each section), and thereupon the Colonial Treasurer, out of the sum or sums so deposited with him as aforesaid, shall pay the Contractors such amounts as the Engineer shall so certify: Provided that, if the Contractors are dissatisfied with any such certificate of the Engineer, they may require the question whether it is sufficient to be, and such question shall thereupon be, referred to the said Minister, and his decision shall be deemed to be the certificate of the Engineer for the purposes of this clause: Provided also that, notwithstanding such reference, the amount stated in the certificate shall be paid to the Contractors as if no such reference had been made, and be considered as a part payment on account, in case the Minister shall decide that the amount stated in the certificate of the Engineer was not sufficient.

11. Notwithstanding the last preceding clause hereof the Engineer or the Colonial Treasurer may pay the wages of any labourers or other persons employed by the Contractors upon any railway which may be due and unpaid, and any amount so paid may be deducted by the Colonial Treasurer from the sum or sums so deposited with him as aforesaid, and shall, for the purposes of these presents, be taken to be a payment made by the Colonial Treasurer to the Contractors.

12. The sum or sums so deposited with the Colonial Treasurer, and all moneys expended by the Contractors in England for manufactured materials or plant as hereinafter mentioned, shall bear interest at the rate of $5\frac{1}{2}$ per cent. per annum from the time or times when the same shall have been so deposited, or from the date of such expenditure, as the case may be, until the completion and opening for public traffic of the said railway, or the section thereof to which the same relate respectively, and such interest shall be paid to the Contractors half-yearly, on the last days of the months of June and December in every year.

13. Subject to the other provisions of these presents the Contractors will make every section of a railway in strict accordance with the said plans, and sections, and specifications, and with such further instructions and detailed plans and drawings as the Engineer shall give or provide, and subject to such deviations, alterations, additions, omissions, or substitutions as aforesaid, and to the satisfaction in all respects of the Engineer, and within the time determined and agreed upon for such completion, and such railway, or, if the Minister shall so direct, any section thereof, shall be opened for public traffic when and as soon as the Engineer shall certify the due completion of the same, and not earlier. If the Contractors shall be dissatisfied with any decision of the Engineer, or his withholding a certificate of his satisfaction on such completion under this clause, they are to be entitled to have the matter referred to the decision of the Minister, and his decision shall be equivalent to a decision or certificate of the Engineer.

14. The Contractors will be responsible for and make good any damage which may arise to any railway or any section thereof, or any plant, within twelve calendar months after the same shall have been completed and opened for public traffic, in case such damage shall, in the opinion of the Engineer, arise from defective construction, or materials, or improper workmanship, and no addition shall be made to "the total cost" on account thereof; but if any such damage (the making good of which would not, in the opinion of the Engineer, come under the head of ordinary repairs) shall arise within such period or at any time afterwards by reason of storms, floods, insufficiency of design, or war, or disturbances in the colony, the Contractors will make good all such damage with all convenient despatch to the satisfaction of the Engineer; and if, after any such railway or any section thereof, as the case may be, shall have been opened for traffic, the Governor shall at any time or times require that any further or altered works shall be executed for the better working and using the same for the purposes of public traffic or otherwise, the Contractors will execute the same according to plans and specifications to be prepared or approved by the Engineer, and the amount of the cost which shall be incurred by the Contractors in making good any such damage as last aforesaid, or in executing such further or altered works, such amount (to be agreed upon between the Governor and the Contractors, or determined by arbitration) shall from time to time be added to "the total cost of the said railway," or the "total cost" of any section thereof, as the case may be, and included in the capital account hereinafter mentioned.