

the manner therein provided, should not be required to keep more than three of the said vessels actually engaged in conveying the mails and furnished with stores, fuel, and provisions, and manned and provided with officers, engineers, crew, and a surgeon, as thereinbefore provided for; but might from time to time, and for such length of time as they should think fit, cause any one of the said steam-vessels to be laid up, provided that the said steam-vessel so laid up should be laid up in the port of Sydney, unless, owing to some accident or circumstance beyond the control of the contractors, the said steam-vessel should be unavoidably laid up elsewhere: And provided also that the said vessel, including its machinery and engines, which should be so laid up, should, if in complete repair at the time when it was laid up, be kept in complete repair, and, if the said vessel or its machinery or engines should be out of repair at the time when the said vessel was laid up, the same should with all due diligence be put into complete repair, and be thenceforth kept in complete repair; and that the said vessel so laid up, and being with its machinery and engines when laid up in or after it and its machinery and engines should have been put into complete repair, should at all times thereafter while laid up be kept in such a state and condition that upon being furnished with stores, fuel, and provisions, and being manned and provided with officers, engineers, crew, and a surgeon, it would thereupon be in readiness for conveying the mails, and efficient for travelling at the speed thereinbefore mentioned.—Article 5. That the Postmasters-General, or either of them, should have full power, whenever and as often as they or he might deem it requisite, by any of their or his qualified officers or agents, to inspect the officers, engineers, and crew of all or any of the vessels, including the said vessel so laid up as aforesaid, employed or to be employed in the performance of the now reciting contract, and to survey all or any of such vessels and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, stores, and equipments of every such vessel; and any defect or deficiency that might be discovered on any such survey should be forthwith repaired or supplied by the contractors; and for the purposes aforesaid the said vessels should (if necessary) be opened in their hulls whenever the said officers or agents might so require. And if any such vessel or any part thereof, or any engines, machinery, furniture, tackle, apparel, boats, stores, or equipments, should on any such survey be declared by any such officers or agents unseaworthy or not adapted to the service thereby agreed to be performed, or any such officers, engineers, or crew should be so declared ineligible, every vessel which should be disapproved of, or in which such deficiency or defect should appear, should be deemed insufficient for any service thereby agreed to be performed, and should not be again employed in the conveyance of mails until such defect or deficiency should have been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same, and any of such officers, engineers, or crew declared ineligible should not be employed in the said service. And in the now reciting contract it was further covenanted and agreed: (Article 29) That if the contractors should fail to commence the performance of the services thereby contracted to be by them performed according to the provisions thereof, or having commenced the same should refuse or wilfully neglect to carry on the same according to the true intent and meaning of the now reciting presents, they should forfeit and pay to the said Postmasters-General the sum of twenty-five thousand pounds, to be equally divided between the Postmasters-General as and by way of liquidated damages, and not by way of penalty (30) That all and every the sums of money thereby stipulated to be paid by the contractors should be considered as liquidated or ascertained damages, whether any damage or loss should have or should not have been sustained, and might be set off by the Postmasters-General or either of them against any moneys payable to the contractors under or by virtue of the now reciting presents, or might be enforced by both or either of the Postmasters-General as a debt due, with full costs of suit, at their or his discretion: Provided always that the payment by the contractors of any sums of money for any neglect or default in the observance or performance of the covenants or agreements therein contained should not in any manner prejudice the rights of the Postmasters-General, or either of them, to treat such defaults as a non-observance or non-performance of the now reciting contract on the part of the contractors. (31) That the contractors, with two sureties, to be approved by the Postmasters-General, should jointly and severally enter into a bond in the penal sum of twenty-five thousand pounds, conditioned for the due and faithful performance of the covenants and agreements on the part of the contractors therein contained, according to a draft then already agreed upon, meaning the draft of these presents.

Now the condition of the above-written bond or obligation is such that if, in case the said The Pacific Mail Steamship Company, while the whole or any part of the services by the said recited articles of agreement agreed to be performed ought to be performed, shall not provide, or in case having provided they shall not keep seaworthy and in complete repair and readiness for the purpose of conveying, for the residue of a period of eight years, computed from the fifteenth day of November, one thousand eight hundred and seventy-five, all Her Majesty's mails which, and all other mails which the Postmaster-General for the time being of the Colony of New South Wales, and the Postmaster-General for the time being of the Colony of New Zealand, or either of them, shall at any time, or from time to time, require the contractors to convey from and to the following ports, that is to say, Sydney, Auckland, San Francisco, and any port or ports intermediate between Sydney and San Francisco at which the steam-vessels hereinafter mentioned may call as in the said recited articles of agreement mentioned, or any of such ports, a sufficient number of and not less than four good, substantial, and efficient screw steam-vessels of the first class, and fully equal to Class 100, A1, Lloyd's Register, and of not less gross registered tonnage than two thousand five hundred tons each, constructed of iron, and propelled by first rate engines of adequate power for a minimum continuous speed of eleven nautical miles per hour, subject, however, to the proviso or exception in the 4th of the said recited articles of agreement contained and hereinbefore recited as to one of the said steam-vessels being from time to time laid up, or in case any vessel shall be employed in the said service which shall not have been approved by the Postmasters-General or an officer or officers appointed by them for the purpose, or in case any vessel which, on any such survey as in the said recited articles of agreement mentioned, shall have been disapproved of, or in which such deficiency or defect as in the said recited articles mentioned shall have appeared, shall be employed in the conveyance of mails before such defect or deficiency has been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same, the said The Pacific Mail Steamship Company, John Francis Ure, John Lennox Kincaid Jamieson, and William Pearse, or some