

respective interests of the company and the Postmaster-General in the performance of the voyage or voyages of any mail-ship by which the mails shall have been conveyed under the provisions of this clause.

29. The powers conferred upon the Postmaster-General by the last two preceding clauses may be exercised in relation to a temporary or a permanent change of route or of port (as the case may be), and in the case of a temporary change may be exercised as often as the Postmaster-General deems it expedient; and the Postmaster-General may in his notice requiring the change specify the period during which such change shall take effect or require such change to be made until further notice, and at the expiration of the time limited by the Postmaster-General, or upon receiving reasonable notice from the Postmaster-General to that effect (as the case may be), the company shall revert to the original route or port (as the case may be).

30. (1.) If at any time or times the Postmaster-General shall desire to modify (otherwise than as aforesaid) the services hereby agreed to be performed (as, for example, to increase or decrease the frequency of the conveyance of the mails between any of the ports or places to or from which the mails are to be conveyed under this agreement, or to extend the conveyance of the mails to any other ports or places not specified in this agreement, or to discontinue the conveyance of such mails to or from any port or place specified in this agreement) he shall be at liberty so to do on giving reasonable notice to the company; and from and after the expiration of any such notice the modified services thereby required to be performed shall be accordingly performed by the company in lieu of the services hereby agreed to be performed, and in any and every such case if such notice cause an increase of the services hereby agreed to be performed the Postmaster-General shall, in respect of such increase, pay to the company, in addition to the subsidy hereinafter specified, such sum of money as may be agreed upon between the Postmaster-General and the company, or, failing such agreement, as shall be determined by arbitration, or if such notice cause a decrease of the services hereby agreed to be performed, the Postmaster-General shall in respect of such decrease deduct from the said subsidy such sum of money as may be agreed on as aforesaid, or, failing such agreement, as shall be determined by arbitration.

(2.) The particular days, times, and hours of departure from and arrival at any ports or places, or of other services (if any) which may be appointed under this clause, shall for the time being be deemed to be the days, times, and hours of departure and arrival of the mail-ships and of other services under this agreement, and shall be observed and kept by the company accordingly.

*Admiralty Clauses.*

31. During the continuance of this agreement the several stipulations and agreements specified in the Second Schedule hereto shall be binding on the company as regards the mail-ships plying on mail routes 1 and 2.

32. (1.) Subject to the provisions of the subvention agreement between the Admiralty and the company dated the 3rd April, 1894, or of any subsequent subvention agreement, the Admiralty shall at any time during the continuance of this agreement, if they shall consider it necessary for the public interest so to do, have power and be at liberty to purchase all or any of the mail-ships 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 company, or, in case of difference, to be determined by arbitration, and every or any difference as to the amount of valuation or hire or rate of hire so to be paid shall be determined by arbitration.

(2.) In the case of such purchase or hire the services hereby contracted to be performed shall be performed by other steamships of the company of a similar description to the mail-ships purchased or hired, if the company can in due and proper time furnish such steamships.

(3.) In the event of the company being allowed by the Postmaster-General to continue to perform only a portion of such services there shall be paid to the company such annual sum of money as shall be agreed upon between the Postmaster-General and the company, and in case of their differing as to the amount the difference shall be determined by arbitration.

*Subsidy and Deductions.*

33. In consideration of the covenants and agreements herein contained, and on the part of the company to be observed and performed, and of the due and faithful performance by the company of all the services under this agreement, there shall be payable to the company during the continuance of this agreement (out of such aids or supplies as may from time to time be appropriated by Parliament for that purpose) a yearly subsidy or sum after the rate of £330,000 per annum, or (in the event of any such default or failure or other event as hereinafter mentioned) so much of the said subsidy or sum as shall remain payable in respect of any year after making such deductions therefrom (if any) as hereinafter in that behalf mentioned in respect of any such default or failure or other event.

34. There shall be forfeited and paid by the company to the Postmaster-General the following sums in the following events, that is to say:—

(1.) If the company shall fail to commence the performance of the services hereby agreed to be performed on the 1st February, 1898, or on such subsequent day as the Postmaster-General may appoint, the company shall forfeit and pay the sum of £100 for every complete period of twenty-four hours which shall elapse before the company shall commence the performance of such services: Provided that—

(a.) The amount which shall become payable by the company in respect of such default as aforesaid, so far as the same shall relate to any one of the mail routes, shall not in the aggregate exceed the sum of £20,000; and

(b.) The payment by the company of the aforesaid amount shall not prejudice the right of the Postmaster-General to insist on any payment or deduction to which he may be entitled in respect of the same default under the provisions hereinafter contained.