

(2.) On each occasion when the company shall fail to provide a mail-ship in accordance with this agreement at Brindisi, Bombay, Shanghai, or Adelaide, ready to put to sea at the appointed time, or if any mail-ship provided by the company as aforesaid shall not in fact put to sea and proceed on her voyage at the appointed time the company shall forfeit and pay—

(a.) The sum of £500 in case such default occurs at Brindisi, Bombay, or Shanghai, and the sum of £250 in case such default occurs at Adelaide; and

(b.) A further sum of £100 in case such default occurs at Brindisi, Bombay, or Shanghai, and a further sum of £50 in case such default occurs at Adelaide for every successive complete period of twenty-four hours which shall elapse before such mail-ship shall actually put to sea and proceed on her voyage in pursuance of this agreement.

(3.) On each occasion when the mails shall not be conveyed in either direction between Brindisi and Bombay, Brindisi and Shanghai, and Brindisi and Adelaide, within the respective periods of transit hereinbefore specified, the company shall forfeit and pay the sum of £100 for every complete period of twelve hours (in the case of voyages between Brindisi and Bombay and Brindisi and Shanghai), or of twenty-four hours (in the case of voyages between Brindisi and Adelaide) by which the said respective periods of transit hereinbefore provided shall be exceeded:

Provided that no such payment as in this subclause mentioned shall be made if the company shall prove to the satisfaction of the Postmaster-General that such default arose wholly or in part from any cause or causes altogether beyond the control of the company:

Provided also that if by reason of any law or regulation against Sunday labour in any port or place from or at which a mail-ship shall start or call under this agreement any mail-ship employed or about to be employed in any service under this agreement shall be delayed, then and in every such case no such payment as in this subclause mentioned shall be made in respect of any default in the conveyance of any mails under this agreement caused by such delay.

(4.) The aggregate amount of the sums payable under subclause (2) and under subclause (3) of this clause respectively in relation to any one voyage shall in the case of payments under subclause (2) never exceed by more than £1,000, and in the case of payments under subclause (3) never exceed by any amount that part of the subsidy for the current year which shall be applicable to the voyage.

(5.) Each and all of the said several sums of money hereinbefore stipulated to be paid by the company to the Postmaster-General in the event of failure or default of the company as aforesaid shall be due and payable as stipulated, ascertained, or liquidated damages, and not by way of penalty, and (except as aforesaid) from whatever cause or causes such failure or default may have arisen, and although no loss shall be or may have been sustained by reason or in consequence of such failure or default; and every such sum shall at the option and discretion of the Postmaster-General be either deducted by him from any moneys then payable, or which may thereafter become payable to the company under this agreement, or be recovered as a debt to Her Majesty with full costs of suit.

(6.) The payment of or liability to pay any sum hereinbefore mentioned shall in no way prejudice the right of the Postmaster-General to treat as a breach of this agreement the failure in respect of which such sum shall become payable by the company as aforesaid.

35. If and whenever the Postmaster-General gives notice to the company that he no longer requires them to provide accommodation for the sorting and making-up of the mails on mail routes No. 1 and No. 2, and to receive and convey officers of the Post Office for the same purpose, there shall be deducted from the said subsidy—

(a.) If and so far as such notice relates to mail route No. 1, the sum of £7,500.

(b.) If and so far as such notice relates to mail route No. 2, the sum of £1,000.

36. All accounts between the Postmaster-General and the company in relation to the said subsidy, and any deductions therefrom as hereinbefore provided, shall be made out and settled quarterly up to and as soon as conveniently may be after the 31st day of March, the 30th day of June, the 30th day of September, and the 31st day of December in each year, and the amount or balance (if any) which shall be due to the company on each such quarterly account shall be paid by the Postmaster-General at the General Post Office, London, out of such aids or supplies as aforesaid upon the settlement of each such account, and for the purposes of such accounts the said subsidy shall be deemed to accrue from day to day, subject to the liability of the same to the several deductions aforesaid.

Term of Agreement and Incidental Provisions.

37. This agreement shall come into operation on the 1st day of February, 1898, and shall continue in force until the 31st day of January, 1905, inclusive, and shall then determine if notice in writing to that effect shall have been given twenty-four calendar months previously to the said last-mentioned date, either to the company by the Postmaster-General or to the Postmaster-General by the company, and if not so determined this agreement shall continue in force after such last-mentioned date until the expiration of a notice of a like duration given by either party at any time.

38. (1.) If on the determination of this agreement any mail-ship shall or ought to have started or shall start on any voyage in conformity with this agreement, or any other steamship of the company shall have started on a voyage with mails on board, such voyage shall be continued and performed, and the mails be delivered and embarked during and at the completion of the same, and all the provisions of this agreement be observed as if this agreement had remained in force with regard to any such ship and services, and with respect to such ship and services this agreement shall be considered as having terminated when such ship shall have reached her port or place of destination and such services shall have been performed.