

Society (Limited) do hereby bind themselves and their successors, jointly and severally, unto our Sovereign Lady the Queen in the sum of £20,000 of lawful money of the United Kingdom, to be paid to our said Lady the Queen, her heirs, and successors, by way of stipulated or ascertained damages hereby agreed upon between the Postmaster-General and the company in case of the failure on the part of the company in the due execution of this agreement or any part thereof.

In witness whereof the Postmaster-General hath hereunto set his hand and seal, and the company and the Law Guarantee and Trust Society (Limited) have hereunto affixed their respective common seals, the day and year first before written.

Signed, sealed, and delivered by the above-named Henry, Duke of Norfolk, Her Majesty's Postmaster-General, in the presence of ANDREW M. OGILVIE, Private Secretary to the Postmaster-General.

NORFOLK, E. M. (L.S.)

The common seal of the Orient Steam Navigation Company (Limited) was hereunto affixed in the presence of—

JOHN BELL
J. G. S. ANDERSON } Two of the Managers. (L.S.)

The common seal of the Law Guarantee and Trust Society (Limited) was hereunto affixed in the presence of—

NOEL F. TERRY, 49, Chancery Lane, London, W.C.
Clerk to the said Society. (L.S.)

Signed for and on behalf of the Law Guarantee and Trust Society (Limited)—

HENRY ROSCOE } Directors.
THO. RAWLE }
TH. R. RONALD, General Manager and Secretary.

Enclosure 2 in No. 79.

Return to an Order of the Honourable the House of Commons, dated 4th August, 1904, for Copy of Contract, dated the 25th day of July, 1904, between the Postmaster-General and the Peninsular and Oriental Steam Navigation Company, for the conveyance of the East India, China, and Australia Mails, being supplemental to the contract dated the 25th day of May, 1897 (H.C. No. 259 of Session 1897), together with copy of Treasury Minute thereon, dated the 2nd day of August, 1904.
[328: 1904.]

POST OFFICE (EAST INDIA, CHINA, AND AUSTRALIA MAILS).

(Treasury Minute dated the 2nd August, 1904.)

My Lords have before them a contract, dated the 25th July, 1904, between the Postmaster-General and the Peninsular and Oriental Steam Navigation Company, for the conveyance of the East India, China, and Australia mails, being supplemental to the contract dated the 25th May, 1897, which will expire on the 31st January, 1905 (House of Commons Paper, 259, of 1897).

By this new agreement the present arrangement with the company is continued, subject to certain alterations, for a period of three years from the 1st February, 1905, to the 31st January, 1908, but power is reserved to the Postmaster-General to extend the period to either five or seven years—*i.e.*, until either the 31st January, 1910, or the 31st January, 1912.

The changes are:—

(1.) An acceleration of the service by twenty-four hours each way (subject to an extension of the south-west monsoon allowance from twenty-four hours to thirty-six).

(2.) An increase in the yearly subsidy from £330,000 to £340,000, the latter sum being, however, subject to reduction to £330,000 or £315,000, with retrospective effect for the whole period, in the event of the extension of the contract to five or seven years respectively.

(3.) The company reserves to itself liberty to abandon the Australian section of the service in certain circumstances, and provision is made for a reduction of the subsidy in such an event.

My Lords refer to the report of the Inter-Departmental Committee appointed on the 21st May, 1903, under the chairmanship of Mr. Evelyn Cecil, M.P., for the purpose of considering the best means of providing for this service on the expiration of the existing contracts with the Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company (Cd. 2082 of 1904).

The Committee considered the subject very fully, and the terms of the present renewal are generally in accordance with the recommendations made in paragraphs 6 and 23 of their report.

My Lords have accepted those recommendations, and approve of the contract before them.

HIS MAJESTY'S POSTMASTER-GENERAL AND THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.—EAST INDIA, CHINA, AND AUSTRALIA MAILS.

CONTRACT.

This indenture, made the 25th day of July, 1904, between the Right Honourable Edward George Villiers Stanley, C.B., commonly called Lord Stanley, His Majesty's Postmaster-General (hereinafter called "the Postmaster-General," in which term his successors in the office of His Majesty's Postmaster-General for the time being shall be deemed to be included) on behalf of His Majesty of the one part, and the Peninsular and Oriental Steam Navigation Company, whose office is situate at 122, Leadenhall Street, in the City of London (hereinafter called "the company," in which term their successors and permitted assigns shall be deemed to be included) of the other part.

WHEREAS this indenture is supplemental to certain articles of agreement under seal, dated the 25th day of May, 1897, and made between the Most Noble Henry, Duke of Norfolk, Earl Marshal