

provide and keep seaworthy, and in complete repair and readiness for such purpose, 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 2,000 tons each, constructed of iron, and propelled by first-rate engines of adequate power for a minimum continuous speed of ten nautical miles per hour; that three of the first vessels to be put upon the line should be the screw steamships "McGregor," "Tartar," and "Mongol," one of which should be ready to leave the port of Sydney with mails at latest on the 20th day of December, 1873, and a suitable vessel should be ready to leave Port Chalmers with mails on the 16th day of December, 1873, to meet the same at Kandavau, and another of the above-named vessels should be ready to leave the port of San Francisco with mails on or about the 27th day of January next; that due notice should be given to the Postmasters-General of any vessel or vessels proposed to be put upon the line, and no vessel should be employed in the service thereby contracted to be performed until approved by the Postmasters-General, or an officer or officers to be appointed by them jointly or severally for that purpose; (Article 3) that the steam-vessels to be employed under the now-reciting Contract should be of the capacity aforesaid, and should be always furnished with all necessary and proper machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, tallow, provisions, anchors, cables, fire-pumps and other proper means for extinguishing fire, lightning-conductors, charts, chronometers, nautical instruments, and whatsoever else might be necessary for equipping the said vessels and rendering them constantly efficient for travelling at a minimum continuous speed of ten nautical miles per hour, and for the service thereby agreed to be performed, and also manned and provided with competent and legally qualified officers, and with a sufficient number of efficient engineers, and a sufficient crew of able seamen and other men, and with a competent surgeon, to be in all respects, as to vessels, engines, equipments, and capacity, subject, in the first instance, and from time to time, and at all times afterwards, to the approval of the Postmasters-General, or of such other person or persons as they should jointly or severally, or at any time or times, authorize to inspect and examine the same, and no vessel should be employed or used for the purposes of the now-reciting Contract until approved as aforesaid; (Article 4) 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 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 Marine Board 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 28) 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 £25,000, to be equally divided between the Postmasters-General, as and by way of liquidated damages, and not by way of penalty; (Article 29) 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; (Article 30) 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 £25,000 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 Hayden Hezekiah Hall and Paul Siemen Forbes, 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, on and from the 20th day of December, 1873, and until the said permanent Contract shall come into operation, 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 between Sydney and San Francisco and between San Francisco and Sydney, and between New Zealand and San Francisco and between San Francisco and New Zealand, and from and to all and every or any of those ports, to and from the said ports of Honolulu and Kandavau, 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 2,000 tons each, constructed of iron, and