ARTICLES OF AGREEMENT made this Twenty Second day of October, A.D., 1858, between the ATLANTIC ROYAL MAIL STEAM NAVIGATION COMPANY, Limited, hereinafter designated the Contractors, of the one part, and the Honorable JOHN KENT, Her Majesty's Colonial Secretary for the Island of Newfoundland, and on behalf of Her Majesty, Her Heirs and Successors of the other part, as follows :--

1.—In consideration of the payment hereinafter stipulated to be made to the Contractors, the Contractors hereby covenant, promise, and agree to and with the said John Kent, that they shall and will, during the continuance of this Contract, diligently, faithfully, and to the satisfaction of the Governor and Executive Council of Newfoundland, for the time being, and with all pessible speed, convey Her Majesty's Mails (in which designation all Despatches and Bags of Letters are agreed to be comprehended) which shall at any time or times, and from time to time, by the said Governor and Council, or of Her Majesty's Post Master General, be required to be conveyed, as hereinafter stated, between Galway, Ireland, and St. John's, Newfoundland, and between Newfoundland and Portland, Boston, New York, or either of them, in a sufficient number of suitable, first class, good, substantial, and efficient Steam Vessels, of sufficient capacity and power to perform the voyage between Galway and Newfoundland, and between Newfoundland and Galway, in Seven days during the summer months, and Eight days during the winter months—the words " summer months" to be considered to mean the months of April, May, June, July, August, September, and October and that the length of the voyage shall be computed on an average of all the voyages actually performed during each year.

2.—That the Contractors shall and will, at all times and at their own costs, provide and keep sea-worthy, and in complete repair, during the continuance of this Contract, a sufficient number of Steam Vessels of the power aforesaid, and adequately provide and furnish all and every of the said vessels while employed in the performance of this Contract, with all necessary and proper Tackle, Stores, Oil, Tallow, Fuel, Provisions, Machinery, Engines, Anchors, Sails, Cordage, Fire Hearths, Masts, Yards, Cables, a sufficient number of efficient Boats, Fire Pumps, and all other proper and requisite means of extinguishing fire, Lightning Conductors, Charts, Chronometers, proper Nautical Instruments, and all other furniture and apparel, and whatsoever else may be requisite and necessary for equipping the said vessels, and rendering them constantly efficient for the said service, in conformity with the regulations of the Board of Trade made and provided for the government of Steam Vessels.

3.—That one of such Steam Vessels equipped and manned as aforesaid, shall leave Galway for St. John's, Newfoundland, and St. John's for Portland, Boston, or New York, and one other of such Steam Vessels shall leave Portland, Boston, or New York, for St John's, and St. John's for Galway, with Her Majesty's Mails on board, at least once in each fourth week in the year, commencing on such days in the month of January in the year 1859, during each and every fourth week from the commencement of the service, as shall be agreed upon between the Contractors and the Post Master General, or his Officers, or the Governor of Newfoundland, and one such vessel shall leave Galway, and another Portland, Boston, or New York, for St. John's, Portland, Boston, or New York, and Galway respectively, not less than once in every fourth week in each succeeding year, and in every year during the continuance of this Contract, and shall, on each voyage outward and homeward, proceed to St. John's and deliver the said Mails at the Post Office to the Post Masters or other persons duly appointed to receive the same, and remain there a roasonable time for the receipt of Mails, and that the said Vessels shall have permission in all cases to touch at Halifax, Nova Scotia, besides the said other ports of call, at the discretion of the said Contractors, and that in case the said Vessels shall touch at Halifax, they shall convey between that place and St. John's, and deliver at both places, all such Mails as shall be put on board for that purpose.

4.—That such vessls, after remaining a reasonable time at St. John's, shall depart thence for Galway or Portland, Boston or New York respectively, to complete the voyage, with Her Majesty's Mails on board, and there deliver the same to the Postmasters or other persons duly appointed to receive them : and that the Governor of Newfoundland shall have the right to order any of such vessels, by a notice to the agent of the Company, on her arrival, to remain in the Port of St. John's for Six hours on any voyage, for the receipt or conveyance of Mails or Government Despatches.

5.—That any vessel which may be employed in the performance of this contract shall, at all times, unless prevented by storm, tempest, or some other unavoidable casualty, be ready to receive the Mails at all the respective Ports or Places as hereinbefore mentioned or hereafter to be defined as hereinbefore provided.

6.—That if at any time or times it shall happen that the Port of St. John's, Newfoundland shall be found inaccessible on account of ice, then, in such case, Her Majesty's Mails shall, by and at the expense of the Government, be landed and received from on board at such Port on the South West Coast of the said Island as may be accessible, and shall also, at their expense, be by them conveyed to St. John's by land.

7.—That a Time Bill shall be kept by the Commander of every vessel employed for the time being in the performance of the said service in such form as the said Governor and Council of Newfoundland shall at any time, or from time to time direct, and that there shall be accurately noted by the said Commander, on such Bill, the time of every arrival and departure of the vessel, and the same shall be signed by the said Commander, and one copy thereof shall be transmitted to the Sceretary of the General Post Office, London, and another to the Colonial Secretary of the Government of Newfoundland by the First Post after each return of each of the said vessels to Portland, Boston, or New York and Galway. During the continuance of this contract the charge and custody of Her Majesty's Mails shall be committed to the Commander or Commanders of all or any of the vessels to be employed in the performance of this contract; and such Commander or Commanders shall, without any additional charge, take due care thereof and be responsible for the same, and shall make the usual declarations required, or which may hereafter from time to time or at any time be required by Her Majesty's Post Master General; in such or similar cases, and such Commander or Commanders having the charge of such Mails shall, immediately on the arrival at any of the said Ports and Places of any vessel so conveying the said Mails, himself deliver, or cause to be delivered by an officer of the ship, Her Majesty's Mails into the hands of the Postmaster of the Port or Place where such Mails are to be delivered, or into the hands of such other person as the said Postmaster General shall dtrect and authorise to receive the same, a receipt, in such case, being always, by such Comimander or Commanders given and taken for the said Mails.

8,—That if any vessel having Her Majesty's Mails on board shall delay starting from Galway, Portland, Boston, or New York, or when put back into port after starting, shall not proceed on her voyage Twelve hours after the proper and appointed time, weather permitting, then in each and every such case the Contractors shall and will pay unto Her Majesty, Her Heirs and Successor's, the sum of Twelve Pounds, also the further sum of Twenty Pounds for every successive period of Twelve hours which shall elapse until such vessel shall proceed on her voyage, in the performance of this Contract, unless prevented by stress of weather; provided alwways that the amount of penalty under this clause shall not exceed the sum of Fifty Pounds on any one voyage.

9.—That every vessel employed in the performance of this Contract shall, as soon as the said Mails are on board, proceed without delay to sea, weather permitting, and shall not touch at any intermediate Port between Galway, St. John's, and Portland. Boston, and New York, excepting at Halifax, as before mentioned, unless compelled to do so by stress of weather or other unavoidable circumstance, without the express authority, in writing, of the Governor of Newfoundland, or the authorised Agent or Officer of the Government; and that Mer Majes-

ty's Mails shall be delivered on their arrival at the said respective Ports without loss of time.

10.—That such Vessels as may be employed by the Contractors for the service hereby agreed by them to be performed, while so employed, and any other of their vessels touching at St. John's on their voyage to any Port in North America, shall be exempt from the operation of the Passenger Act, as fully and to all intents and purposes as any other Mail Contract Steamers.

11.—That all and every the sums of money hereby stipulated, to be paid by the Contractors unto Her Majesty, Her Heirs and Successors, shall be considered as stipulated or ascertained damages, and should the same or any of them become payable and not be discharged forthwith, on the application of the said Governor and Council, or their Agents, each and every of such snms of money may be deducted and retained by the said Governor out of the monies payable to the Contractors, their Executors, or Administrators, under this Contract or any other Contract, or the payment thereof enforced with full costs of suit, at the discretion of the said Governor in Council.

12.-In consideration of the premises, and of the Contractors and their Officers, Servantsand Agents, at all times during the continuance of this Contract, strictly and punctually per, forming the services hereinbefore contracted to be performed, and the Covenants and Agreements hereby entered into by the said Contractors, he, the said John Kent, as such Colonial Secretary, for and on behalf of Her Majesty, Her Heirs and Successors, doth agree with the said Contractors that the Receiver General of Newfoundland, on behalf of Her Majesty and Her Successors, will pay or cause to be paid to the said Contractors, by good Bills of Ex-change on London, at Sixty days' sight, payable at par. in London, a sum after the rate of Thirteen Thousand Pounds Sterling Money of Great Britain, per annum, Eight Thousand Five Hundred Pounds thereof are to be contributed by the said Colony of Newfoundland, and the remaining Four Thousand Five Hundred Pounds by the British Treasury, according to the Treasury Minute dated the 7th day of October, in the year 1858, for the whole of the services hereby contracted to be performed, by quarterly payments, and with a proportionate part of the said sum, should this Contract terminate on any other day than a day of quarterly payment, the first quarterly payment o become due at the termination of Three Calendar Months from the commencement of the said service: Provided always that the said Government. of Newfoundland shall also, from time to time, and at all times, remit all Port dues on the Steamers of the said Company calling at St. John's, including pilotage thereon, and to pay to such person in St. John's as shall agree to provide suitable wharfage for the said Company's Steamers on the North Side of the Harbor of St. John's, the sum of Two Hundred and Fifty Pounds Sterling, yearly, payable quarterly, during the continuance of this Contract, and which shall be in lieu of wharfage on goods landed from or taken on board said vessels at that Port or Harbor. It is, however, provided that the Contractors shall be paid at their option, either by Bills at Sixty days sight, or at the days of payment hereinbefore mentioned, at St. John's, Newfoundland, in Sovereigns, or, if the Newfoundland Government should prefer it, in Newfoundland Currency, equal to Sovereigns, should payment in sovereigns be required.

13.—That the service under this Contract shall commence, as well as the stipend aforesaid, in the month of January in the year 1859, and shall continue in force for the period of one year certain.

14.— And it is also agreed between the said parties, that (excepting any notice of determination of this contract as hereinafter provided for,) all other notices or directions which the Governor of Newfoundland or the Colonial Secretary, Officers or other Persons are hereby authorised and empowered to give to the Contractors, their Officers, Servants, or Agents, may, at the option of the Governor or the Colonial Secretary, Officers, Agents, or other Persons, be either delivered to the Master or Commander or other Officer, Agent, or Servant of the Contractors, in the charge or management of any vessel to be or while employed in the performance of this Contract, or be left at the last known place of business or abode at St. John's, Portland, Boston, New York, England or Ireland, of the Contractors, and any notices or directions so given or left, shall be as binding on the Contractors, as if duly served upon or left with him or them. 15.—That a suitable Steam Boat shall run, at the expense of the said Contractors, between the ports of Liverpool, in England, and Galway, in Ireland, in connection with the said line, at such times as may be considered most convenient for the completion of the communication by Steam between the said Island of Newfoundland and Liverpool, and the safe conveyance of Passengers and Freight by that means during the existence of this contract.

16.—That in consideration of the said Atlantic Royal Mail Steam Navigation Company, Limited, having entered into this contract for one year only, the said John Kent, as such Colonial Secretary, on behalf of the said Government of Newfoundland, doth hereby agree and covenant with the said Company, that the said Government shall use its best endeavours to obtain the sanction of the Legislature of the said colony of Newfoundland and the Imperial Government to a continuance of the same said subsidy of the said sum of Thirteen Thousand Pounds, payable in manner aforesaid, and that in case such sanction shall be obtained, then the said parties hereto mutually covenant with each other that this contract, after the expiration of the said period of one year, shall be extended and continued in force for a further period of four years certain, during which extended period this agreement shall remain in force.

17.—And it is understood between the said parties hereto, that the Imperial Government shall approve of this contract.

18.—And lastly, for the due and faithful performance of all and singular the covenants, conditions, provisions, clauses, and articles hereinbefore contained, which on the part and behalf of the contractors are, or ought to be observed, performed, fulfilled, or kept, the said Atlantic Royal Mail Steam Navigation Company, Limited, and the Members thereof, do hereby bind themselves, and each other, unto our Sovereign Lady the Queen, in the sum of Two Thousand Five Hundred Pounds of lawful British money to be paid to our said Lady the Queen, Her Heirs and Successors, by way of stipulated or ascertained damages, agreed upon between the said John Kent on behalf of the said Government, and the said Atlantic Royal Mail Steam Navigation Company, Limited, (over and above any other sum or sums of money, if any, which may be payable) in case of the failure of the said Company in the due execution of this Contract or in any part thereof : Provided further that the Governor of Newfoundland shall have the right and power to determine this Contract, on giving six months notice in writing for any breach hereof on the part of the said Contractors.

In Witness Whereof the said Atlantic Royal Mail Steam Navigation Company, Limited, hath, by its lawfully appointed Attorney or Agent the Right Honourable William Coutts Kepple, commonly called Viscount Bury, member of the Imperial Parliament, set its Seal and Signature, and the said John Kent, for and on behalf of Her Majesty Queen Victoria, Her Heirs and Successors, hath hereunto set his Hand and Seal on the day and year first within written at St. John's in the said Island of Newfoundland.

The Atlantic Royal Mail Steam Navigation Company, by their Attorney,

(Signed,)

BURY.

(Signed,)

JOHN KENT.

Colonial Secretary of Newfoundland, on behalf of Her Majesty.

Signed, Sealed, and Delivered in presence of (the alterations as initialed by us being previously made.)

(Signed,) HUGH W. HOYLES.

(Signed,) JOHN LITTLE.