

XVI.—The Directors may, from time to time, by Resolution, authorise and direct the issue of Bonds by the said Company for such sums in Pounds Sterling, and to such an amount in the aggregate, as the Directors may deem expedient, in payment for any Property purchased by the said Company, or for any Money borrowed by it, or to negotiate and sell at Public or Private Sale, at such price as the Directors may deem satisfactory, for the purpose of raising funds for the use of the said Company; and the Government of this Colony hereby Guarantees the Payment to the Holders thereof of the Interest, for the period of Twenty Years only, upon Fifty of such Bonds, of One Thousand Pounds Sterling each respectively. The Bonds upon which the Interest is so Guaranteed, to be payable by the Company in Twenty Years, in London, with Five per Cent Interest, payable Semi-Annually, and convertible into Stock at its Par Value, according to the Current Rate of Exchange between New York and London, at any time within Ten Years, at the option of the Holders. The Bonds of which the Interest is so Guaranteed, shall be Registered in the Office of the Secretary of the Colony, and such Registry shall be certified by an endorsement thereon signed by the Colonial Treasurer, and countersigned by the Colonial Secretary, to the effect that the payment of the Interest on the same, for the period aforesaid, is Guaranteed by the Colony; and for the amount of the Interest on the Bonds so Issued and Guaranteed, the Government of this Island shall have, by force of this Act, a Lien upon all the Telegraph Lines, Works and Property, of said Company in this Island and to the Continent of America, in preference to all other claims. The Bonds of which the interest is so guaranteed, to be delivered to the said Company as follows: Ten of them when the Company shall have begun to operate under this Act: Ten of them when the Telegraph Line and Bridle Roads before mentioned shall have been completed from St. John's to Cape Ray or some other point on the West Coast of Newfoundland, and Trepassey; and the remaining Thirty when the Telegraph shall have been completed from Saint John's to Prince Edward Island or the Island of Cape Breton. But before the said remaining Thirty Bonds are delivered to the said Company, they shall be offered by the Company for sale at par, (reckoning the rate of Exchange between Saint John's and London at Twenty per Cent premium,) to the Government of this Colony, or any Inhabitant thereof, by Notice published for Three successive Weeks in the Royal Gazette of this Island; and if the said Bonds, or any of them, be purchased by the Government, or any Inhabitant of this Colony, at or before the expiration of the said Three Weeks, the Bonds so purchased shall be delivered to the Purchaser, and the par value thereof be paid to the said Company in lieu of the said Bonds: and in case the said Company shall not think fit to receive the Bonds last above mentioned within Ten Days after they shall be entitled to receive the same, there shall be offered for sale to the Government, for the Inhabitants of this Colony, Stock in the said Company to the extent of Thirty Thousand Pounds Sterling, or One Hundred and Forty Four Thousand Dollars at par, which shall in such case be offered by Advertisement in manner above mentioned.

Directors to issue Bonds in payment of Property purchased, or Money borrowed by the Company.

Government guarantees payment to holders of 50 of such Bonds, of the Interest thereon for 20 years.

XVII.—And if it shall so happen that the Government of this Colony shall be called upon to pay any sum of Money as Interest upon the said Bonds, or any of them, in pursuance of such guarantee as aforesaid, and shall actually pay such Interest thereon, the Governor of the Colony shall forthwith cause Notice of such Payment to be given to the Directors of the said Company, or to their Director or Local Manager in this Island, requiring the said Company to refund such payment within a time (not less than Three Calendar Months) to be limited in such Notice; and if at the

Government paying such Interest, to give notice thereof to the Directors, requiring them to reimburse therefor.