

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

21. And lastly, for the due and faithful performance of all and singular the covenants, conditions, provisions, clauses, articles and agreements hereinbefore contained, which on the part and on behalf of the contractors, are or ought to be observed, performed, fulfilled or kept, the said North Atlantic Steam Navigation Company 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 and the said North Atlantic Steam Navigation Company (over and above any other sum or sums, if any, which may be payable) in case of the failure of the said North Atlantic Steam Navigation Company in the due execution of this contract, or any part thereof: Provided further, that the Governor of Newfoundland shall have the right to determine this contract, on six months' notice, for any breach of this contract on the part of the contractors. And the contractors shall also have the right to determine this contract upon giving twelve months' notice to the Government of Newfoundland, to expire on any thirty-first day of December in any year within the period aforesaid, whether any breach shall have been committed or not; but any such determination shall not otherwise affect the rights of the respective parties thereunder nor thereto in any way.

In witness whereof the said parties to these presents have herewith set their hands and seals on the day and year first within written at St. John's, Newfoundland.

For the Government of Newfoundland.

(signed) *John Kent*, Colonial Secretary. (L. S.)
A. M. Wier, (L. S.)
 for self, W. S. Lindsay, and others of the
 North Atlantic Company.

Signed, sealed, and delivered in the presence of

(signed) *Jos. J. Little*.

TREASURY MINUTE, dated 5 June 1858.

TRANSMIT the enclosed papers to the Admiralty, and state that before sanctioning the completion of the contract between the Colony of Newfoundland and the North Atlantic Royal Mail Company, my Lords desire the opinion of the Lords Commissioners as to the likelihood of the service being efficiently performed by the adoption of the proposed arrangement. My Lords would especially direct the attention of the Lords Commissioners to the omission of any clause in the contract which would give to the Colonial authorities, or to the Board of Admiralty in this country, the power of submitting to a proper test, and approving or disapproving of the vessels to be employed under the contract, and also to the insertion, by name, of certain vessels which have not been subjected to any such survey.

The Secretary to the Admiralty to the Secretary to the Treasury.

Sir,

Admiralty, 18 June 1858.

I HAVE received and laid before My Lords Commissioners of the Admiralty your letter of the 5th instant, transmitting a copy of the proposed contract of the North Atlantic Steam Navigation Company with the Government of Newfoundland; to run steamers between Liverpool and that Colony, and thence to the United States; and in reply to the inquiry whether, in the opinion of the Admiralty, there is a likelihood of the postal service being efficiently performed by the adoption of the arrangement