ANNO VICESIMO QUINTO & VICESIMO SEXTO

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C A P. XXXIX.

An Act for enabling the Commissioners of Her Majesty's Treasury to make Arrangements with the *Red Sea* and *India* Telegraph Company.

[17th *July* 1862.]

WHEREAS in the Year One thousand eight hundred and fifty-eight a Joint Stock Company was incorporated under the "Joint Stock Companies Act," 1856, by the Name of "The *Red Sea* and *India* Telegraph Company, Limited," for the Purpose of establishing Telegraphic Communication between *India* and *England* by the *Red Sea*: And whereas by an Agreement dated the Eighteenth Day of *November* One thousand eight hundred and fifty-eight, and made between Two of the Commissioners of Her Majesty's Treasury of the one Part, and the said Company of the other Part, it was amongst other things provided, that the Lords Commissioners of Her Majesty's Treasury should guarantee to the Company (subject to such Confirmation by Act of Parliament as therein-after mentioned) that during the Period of Fifty Years from the Fourth Day of *August* One thousand eight hundred and fifty-eight, the net Receipts available for Dividend upon each Half-yearly Statement of Accounts, after Payment of Working Expenses as therein-after mentioned, should be

equal to Interest or Dividend at the Rate of Four and a Half *per Cent. per Annum* at the least upon the Amount of the Capital for the Time being *bonâ fide* called and paid up for the Purpose of the Company's Undertakings, not exceeding in any Case, except as therein-after mentioned, the Sum of Eight hundred thousand Pounds, and should, if and so often as during the said Period of Fifty Years, upon any Half-yearly Statement of Accounts, the net Receipts available for Dividend, after the Payment of Working Expenses, should not be equal to Interest or Dividend at the Rate of Two and a Quarter *per Cent.* for the Half Year upon the above-mentioned Amount of Capital, pay and make good such Deficiency to the Company: Provided always, that in the Calculation of the Amount to which the Company were entitled upon that Guarantee, all Capital paid up in the Course of the current Half Year should be taken to be entitled to Interest or Dividend at the above-mentioned Rate only from the Time when the same was so paid up: Provided also, that all Amounts paid by the Lords Commissioners under the Guarantee should be a Charge on the Company, to be repaid out of the future surplus Profits as therein-after provided: And whereas the said Company was afterwards incorporated, and the said Agreement confirmed by the "*Red Sea* and *India* Telegraph Act, 1859," and by a further Act, intituled *An Act for amending the* Red Sea *and* India *Telegraph Act*, 1859, and passed in the Year One thousand eight hundred and sixty-one, after reciting that Doubts were entertained whether the said Agreement empowered the said Commissioners to give effect to such Guarantee, except during such Time as the Line of Telegraph of the Company was in working Order, and that it was expedient that such Doubts should be removed, it was declared that the Guarantee contained in the said Agreement was not intended to be and was not conditional on the Line of Telegraph of the Company being in working Order: And whereas the Line of Telegraph laid down by the said Company, herein-after referred to as the Old Company, has ceased to transmit Messages: And whereas an Arrangement of which an Abstract is contained in the Schedule to this Act annexed has been entered into between the said Commissioners, the Old Company, and a new Company incorporated under the Name of "The Telegraph to *India* Company, Limited," herein referred to as the New Company, whereby it is agreed that on the New Company complying with certain Conditions required by the said Commissioners (and which Conditions have since been complied with), and in consideration of the New Company discharging all the Debts and Liabilities of the Old Company, the Cables, Lines, Stations, Concessions, and all other the Real and Personal Property of the Old Company, including Things in Action, should be transferred to the New Company; and that in consideration of such Transfer the Old Company should in exchange for

for the Guarantee given by the said Agreement receive such Compensation by way of Annuities, but subject to such Powers of Redemption, as is herein mentioned: And whereas the foregoing Arrangement cannot be carried into effect without the Authority of Parliament: Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows:

Transfer of Property from Old Company to new.

1. From and after the passing of this Act, the Cables, Lines, Stations, Concessions, and all other the Real and Personal Property of the Old Company, including Things in Action, shall vest in the New Company for all the Estate and Interest of the Old Company therein, and the said Agreement of the Eighteenth Day of *November* One thousand eight hundred and fifty-eight, and all the Covenants and Conditions therein contained, shall be deemed to be at an End, but the new Company shall be bound to fulfil the Agreement contained in the Schedule to this Act.

List of Shareholders to be made.

2. The Books of Transfer of Shares in the said Old Company shall be closed immediately on the passing of this Act, and within One Month from the Date of the passing of this Act a List of the several Persons then holding Shares or Stock in the Capital of the said Company at the Date of such Closing, duly authenticated under the Corporate Seal and by the Signature of the Secretary of the said Company, shall be delivered to the Governor and Company of the Bank of *England*, and such List shall set forth the Names, Descriptions, and Addresses of all such Persons, and the Amount of the Share or Shares held by each respectively, and the Amount which will be payable to each in respect of such Shares out of the Annuity of Thirty-six thousand Pounds herein-after referred to; and such List so authenticated shall for the Purposes of this Act be binding on all Persons whatsoever.

Charge upon Consolidated Fund of Terminable Annuities.

3. The Governor and Company of the Bank of *England*, as soon as possible after such List shall have been delivered to them, shall certify to the Commissioners of Her Majesty's Treasury that such List has been so delivered to them, and the said Commissioners are hereby authorized to charge and shall thereupon charge, under the Authority of this Act, upon the Consolidated Fund of the United Kingdom, an Annuity of Thirty-six thousand Pounds for Forty-six Years ending on the Fourth Day of *August* One thousand nine hundred and eight, payable in equal Moieties half-yearly, the First half-yearly Payment to become due on the Fourth Day of *August* One thousand eight hundred and sixty-two, and the last half-yearly Payment on the Fourth

Fourth Day of *August* One thousand nine hundred and eight; and such half-yearly Payments shall be made to the said Governor and Company for and on account of the several Persons in the said Lists mentioned in the several and respective Accounts therein set forth.

Rights of Shareholders to Terminable Annuities.

4. The proportionate Parts of the said Annuity as certified in such List as being due to the several Persons therein named shall be inscribed in the Names of the several Parties in Books to be provided for the Purpose by the said Governor and Company, and all Payments becoming due from Time to Time thereon shall be payable at the Bank of *England* to the several Persons to whom such Payment shall from Time to Time be due, half-yearly, in equal Moieties on the Fourth Day of *August* and Fourth Day of *February*, and the said proportionate Parts shall be transferable in the Books of the said Governor and Company in like Manner as all other Annuities of like Kind chargeable on the Consolidated Fund of the United Kingdom, and payable by the said Governor and Company, and shall not be liable to Stamp Duty.

Delivery of Transfer Books to Bank of England.

5. Immediately after the Inscription of the said Annuity in the Books of the said Governor and Company as aforesaid, the Books of Transfer, and other Books of the *Red Sea* and *India* Telegraph Company relating to the Shares therein, shall be delivered by the said Company into the Custody of the said Governor and Company of the Bank of *England*, to be retained by them.

Redemption of Annuity.

6. The Commissioners of the Treasury may at any Time redeem the Annuity hereby granted on Payment of a Capital Sum which will be sufficient to purchase a Government Annuity at the Rate of Four Pounds Ten Shillings *per Annum* on each One hundred Pounds of the Stock or Capital of the said Old Company for the unexpired Residue of the Term.

Contribution of Revenues of India.

7. There shall be paid out of the Revenues of *India* to the Account of Her Majesty's Exchequer at the Bank of *England* in respect of the Charge hereby created, by Two half-yearly Payments on the Fourth Day of *August* and Fourth Day of *February* in each Year respectively, the annual Sum of Eighteen thousand and twenty-seven Pounds, being One Half of the Amount of the before-mentioned Annuity, and of the Cost of Management, the First of such half-yearly Payments to be made on the Fourth Day of *August* One thousand eight hundred and sixty-two, and the last on the Fourth Day of *August* One thousand nine hundred and eight.

SCHEDULE.

Heads of Arrangement referred to in Preamble of Act.

1. That the Old Company be divested of all further Responsibility in respect to the Affairs of the Red Sea and India Telegraph, with a view to transferring the entire Concern to the Hands of a New Company, on suitable Terms and Conditions.

2. That the present Guarantee of 4½ per Cent. on the paid-up Capital of the Old Company be converted into a Government Annuity of like Amount, payable at the Bank of England, as in the Case of other Annuities of like Kind.

3. The Commissioners of the Treasury shall have Power to redeem the said Annuity at any Time, on Payment to the said Company of a Capital Sum which will be sufficient to purchase a Government Annuity at the Rate of 4*l.* 10*s.* per Annum on each Hundred Pounds of the Stock or Capital of the Company for the unexpired Residue of the Term of their original Contract.

As regards the New Company.

1. That the Cables, Land Lines, Instruments, Stations, Concessions, &c. belonging to the Old Company shall be made over to the New Company free from Charge, the New Company discharging all outstanding Debts and Liabilities of the Old Company.

2. That the New Company shall use their best Endeavours to repair and restore the whole Line from Suez to Kurrachee, and to work it when completed, but shall not have Possession until Two Thirds of the Capital is subscribed, and One Third paid up, and a suitable Vessel despatched with not less than 200 Miles of new Cable on board.

3. That the Capital of the New Company shall not be less in the first instance than 100,000*l.*, with Power to increase to 250,000*l.*, if required to complete the Restoration of the Line.

4. That the New Company shall be entitled to a clear Dividend out of the Profits of 25 per Cent. on the Money paid up by them.

5. That any surplus Profits shall be applied to reimburse the Commissioners of the Treasury for the Payments they have made or will have to make annually by way of Interest or Annuity upon the Capital expended by the Old Company, after which any further Profits which may accrue shall be applied to the Creation of a Reserve Fund.

6. After the Restoration of the Line any Outlay of Capital shall be subject to the Approval of the Commissioners of the Treasury; and the Commissioners of the Treasury shall have Power to disallow Working Expenditure as excessive or unreasonable.

7. In the event of the Failure of the Company to restore the Line or maintain it in Working Order, the Commissioners of the Treasury shall have Power to take it into their own Hands again, on repaying the Capital actually expended by the New Company.

Should the Commissioners not exercise this Right, the Company shall be at liberty to dispose of the Property to reimburse their Outlay; the Balance, after defraying the actual Expenditure, to be the Property of the Commissioners of the Treasury.

8. At the Expiration of 30 Years, the Commissioners of the Treasury shall have the Right of re-purchasing the Line and Property on the Terms of Repayment of the Capital expended by the Company.

9. The Failure in Clause Seven shall be defined to be the non-working of the Line from End to End, subject to a just Allowance of Time for Restoration.

10. The Accounts shall be audited at the Treasury half-yearly.

11. All Differences between the Commissioners of the Treasury and the Company shall be decided by Arbitration.

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