CHAP. xcix.

An Act to amalgamate the Atlantic Telegraph Company with the Anglo-American Telegraph Company, and to provide for the dissolution of the Atlantic Telegraph Company; and for other purposes. [4th July 1870.]

A.D. 1870.

WHEREAS the following Acts have been passed relating to the Atlantic Telegraph Company (herein-after called "the Company"); namely,

"The Atlantic Telegraph Act, 1857" (in this Act called "the Act of 1857"); 20 & 21 Vict. c. cii.

"The Atlantic Telegraph Amendment Act, 1858" (in this Act called "the Act of 1858"); 21 & 22 Vict. c. cxlviii.

"The Atlantic Telegraph Amendment Act, 1859" (in this Act called "the Act of 1859"); 22 & 23 Vict. c. xxiii.

"The Atlantic Telegraph Amendment Act, 1867" (in this Act called "the Act of 1867"): 30 & 31 Vict. c. xxviii.

And whereas the Company were incorporated by the Act of 1857 for the purpose of establishing communication by means of submarine telegraph cables between the coast of Ireland and Newfoundland, and in order to facilitate such communication power was given to the Company by the said Act to make agreements with any other companies then or at any time thereafter owning or working any electric telegraphs or other telegraphic communication, whether within the United Kingdom or not, for the through transmission of messages, and especially with the New York, Newfoundland, and London Telegraph Company (in this Act called "the Newfoundland Company"):

And whereas in pursuance of such power certain agreements have been made between the Company and other telegraph companies in the United Kingdom, and between the Company and the Newfoundland Company, and the same are now in force:

And whereas by the Acts of 1857, 1858, and 1859 respectively the Company were empowered to raise by the issue of ordinary or preference shares a capital of two millions of pounds, and to borrow

A.D. 1870.

on mortgage one hundred thousand pounds, and by the Act of 1867 were further empowered to increase their share capital to three million five hundred thousand pounds, and in a certain event to borrow on mortgage a further sum of three hundred thousand pounds, but the exercise of such additional power of increasing their share capital was made conditional on the assent of three fourths of their shareholders being obtained thereto:

And whereas the Company met with great difficulties in raising the share capital authorised by the Acts of 1857, 1858, and 1859, and were only able to raise a portion thereof, and failed in raising any of the additional share capital authorised by the Act of 1867, by reason of its being found impossible to obtain the assent of so large a proportion of their shareholders as three fourths thereto; and the Company have in fact raised out of their total authorised share capital one million three hundred and fifty-nine thousand six hundred and forty-seven pounds, partly by the issue of ordinary shares, partly by the issue of preferential shares, which shares have since been converted into stock under the powers of the Act of 1857, and have borrowed on mortgage one hundred thousand pounds; and the Company's capital now consists of—

	£
Ordinary stock - - - -	617,750
Preferential stock, 8 per cent. - -	641,897
Debentures - - - -	100,000
	1,359,647

And whereas the Company's cable, after having been laid in the year one thousand eight hundred and fifty-eight between Valentia on the coast of Ireland and Heart's Content on the coast of Newfoundland, proved inadequate to the purposes for which it had been constructed, and in the year one thousand eight hundred and sixty-five a second cable, after having been partially submerged in the Atlantic Ocean, was broken, and the submerged portion lost, and in consequence of such failures the credit of the Company was exhausted, and they were unable to further prosecute their undertaking, and bring the same to a successful termination:

And whereas by the Act of 1857 power was given to the Lords Commissioners of Her Majesty's Treasury to make agreements with the Company for the use, on certain terms, of their lines of telegraph on Her Majesty's service, and by the Act of 1859 further powers were granted in relation thereto:

And whereas in pursuance and by virtue of the first above recited Act an agreement, dated the 20th day of May 1858, was duly made between two of the then Lords Commissioners of Her Majesty's

Treasury of the one part, and the Company of the other part, whereby, among other things, after providing for the rates to be charged for the transmission of messages from or to any department whatever of Her Majesty's Government, the said Lords Commissioners guaranteed to the Company a certain fixed minimum annual payment therein mentioned in respect of the transmission of such messages for a term of twenty-five years, dating from the 29th day of September 1859, but such agreement was made conditional on the Company's lines being in effective operation at the time when such guarantee was to come into effect, and the said condition not having been complied with by reason of the failure as aforesaid in the year 1858 the said agreement thereupon became void:

And whereas prior to the attempt to lay the second cable the Company entered into negotiations with the Lords Commissioners of Her Majesty's Treasury for the purpose of making a fresh agreement under the extended powers of the Act of 1859, and obtaining assistance in raising the necessary additional capital, but such negotiations proved fruitless, and in the result the Company was remitted to its original position, unaided on the one hand and unrestricted on the other by any action of Her Majesty's Government in relation to their undertaking:

And whereas in the year one thousand eight hundred and sixty-six a new Company was formed under the powers of "The Companies Act, 1862," called the Anglo-American Telegraph Company, Limited, (in this Act called "The Anglo-American Company,") for the purpose of establishing communication by means of submarine and land telegraphs between Great Britain and America, and a contract contained in certain heads of agreement was made, dated the first day of March one thousand eight hundred and sixty-six, between the Company of the first part, and Mr. Richard Atwood Glass, on behalf of the Anglo-American Company, of the second part, since adopted by that Company and scheduled to the Act of 1867, by which it was agreed among other things that the Anglo-American Company should construct and lay during the summer of that year a submarine telegraph cable between the western coast of Ireland and Heart's Content on the eastern coast of Newfoundland (which work was duly executed), and should also endeavour to recover, repair, and complete in working order the Company's cable which had been partially laid in the year one thousand eight hundred and sixty-five, so as to establish a second submarine telegraph line of communication between Valentia and Heart's Content (which was also accomplished), and it was further agreed that the Anglo-American Company as agents for the Company should during the continuance of the said agreement work all the lines and

A.D. 1870.

manage the traffic of the Company, and take the receipts arising therefrom, and apply and appropriate the same as therein provided, and by the said contract an option was secured to the Company (but never exercised by them) to determine the same at any time up to the first day of January one thousand eight hundred and sixty-nine, and to take the receipts on making certain payments as therein mentioned to the Anglo-American Company:

And whereas by the Act of 1867 the Company and the Anglo-American Company were empowered to enter into and carry into effect any arrangements touching the settlement of claims and disputes under the said contract, and for the variation and extension thereof:

And whereas, in consequence of the failure of the Company to raise the additional capital authorised by the Act of 1867 for the reasons herein-before mentioned, the Company were unable to make the payments to the Anglo-American Company as provided by the said contract, and determine the same, a new agreement was thereupon made, dated the twenty-ninth day of May one thousand eight hundred and sixty-eight, between the Company of the first part, and the Anglo-American Company of the second part, varying and extending the said contract of the first day of March one thousand eight hundred and sixty-six, whereby it was provided that the Anglo-American Company should, during the continuance of such new agreement, work all the lines and manage the traffic of the Company under the superintendence of a joint committee of the two Companies, and take the receipts arising therefrom, and apply and appropriate the same to the purposes and in the order specified in article 23 of the said agreement:

And whereas, regard being had to the events and circumstances which have happened to the Company since their incorporation, and especially to the difficulties they have met with in carrying out their original undertaking, and also to the present state of their relations with the Anglo-American Company, it is expedient that the Company be amalgamated with the Anglo-American Company by the absorption of the former into the latter, and provision be made for the redemption of the Company's mortgage debt, and for the transfer of the undertaking of the Company to the Anglo-American Company, and in pursuance and part fulfilment thereof the Anglo-American Company have, in addition to their existing capital of six hundred thousand pounds, duly created a further amount of stock to the amount of one million and seventy-five thousand pounds, making a total capital of one million six hundred and seventy-five thousand pounds, whereof one million two hundred thousand pounds, part thereof, will be appropriated to the existing holders of Anglo-

American stock, three hundred and seventy-five thousand pounds, further part thereof, is to be issued to the Company in exchange for their existing stocks, and one hundred thousand pounds, balance thereof, or so much thereof as may be necessary to raise the sum of one hundred thousand pounds sterling, is to be issued for the purpose of providing for the payment of debentures of the Company to that amount now subsisting:

And whereas an agreement to that effect, dated the third day of February one thousand eight hundred and seventy, was duly made between the Company of the first part and the Anglo-American Company of the second part, which agreement has been duly approved by the shareholders of both Companies:

And whereas it is expedient that the necessary powers should be conferred upon the Company to amalgamate with the Anglo-American Company, and to make provision for the final dissolution of the Company:

And whereas the objects aforesaid cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and of the Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Short title.

1. This Act may be cited for any purpose as "The Atlantic Telegraph Act, 1870."

Interpretation of terms.

2. The words "chairman" and "secretary" in this Act shall mean the chairman and secretary for the time being.

Company to wind up affairs, except mortgage debt.

3. The Company shall, with a view to their dissolution, proceed to wind up their affairs, and pay, satisfy, and discharge all their debts, engagements, and liabilities, except their mortgage debt of one hundred thousand pounds, which is to be dealt with as is hereinafter provided; and a letter signed by the chairman of the Company, and addressed to the chairman of the Anglo-American Company, to the effect that such debts, engagements, and liabilities have been duly paid, satisfied, and discharged, shall, on receipt thereof by the Anglo-American Company, be considered to be, as between the Company and the Anglo-American Company, conclusive evidence of the facts stated therein.

Conversion of Atlantic stock with Anglo-American stock and allotment.

4. On receipt of such notice the Anglo-American Company shall forthwith, or in their discretion may at any time previous thereto, issue at par to the Company three hundred and seventy-five thousand pounds ordinary Anglo-American stock, fully paid up to all intents and purposes, anything in section 25 of "The Companies

A.D. 1870.

Act, 1867," notwithstanding; and such stock shall be substituted by way of exchange for six hundred and seventeen thousand seven hundred and fifty pounds ordinary stock of the Company, and for six hundred and forty-one thousand eight hundred and ninety-seven pounds preferential stock of the Company, amounting together to one million two hundred and fifty-nine thousand six hundred and forty-seven pounds; and the Company shall, on receipt thereof, and after such notice as is herein-after provided, divide and allot the same, among and to the then registered holders of the ordinary and preferential stock of the Company, or to the respective executors or administrators of such holders, in the following proportion; that is to say, sixteen pounds of such Anglo-American stock for and in respect of every one hundred pounds ordinary stock of the Company, and forty-three pounds of such Anglo-American stock for and in respect of every one hundred pounds preferential stock of the Company, and the respective holders of stock of the Company, whether ordinary or preferential, shall accept the same accordingly; and in order to enable the Company so to divide and allot such stock, it shall be lawful for the directors of the Company to close for such time as may be necessary the register of transfers, of which closing seven days notice shall be given by advertisement in some morning newspaper published in the city of London; and when the same shall have been so divided and allotted, a certificate under the hand of the chairman of the Company shall be delivered to the secretary of the Anglo-American Company, who shall forthwith cause the stock so divided and allotted to be registered in the names and in the amounts stated in such certificate.

Notices to be given to creditors of the Atlantic Company.

5. When and so soon as the Company are prepared to divide and allot the Anglo-American stock among and to the holders of stock of the Company, they shall transmit by post to the usual or last known place of abode of every then registered holder a circular requiring him to send his stock certificate to the secretary of the Company for the purpose of exchange and conversion for and into Anglo-American stock; and if at the expiration of three months from the date of such circular all the then registered holders of stock of the Company shall not have sent in their stock certificates, the Company shall cause to be inserted once for three consecutive weeks in some newspaper published and circulating in London, Edinburgh, Dublin, and New York respectively, an advertisement stating that such holders as shall not have sent in their stock certificate shall be registered in respect of their holdings in the Company as Anglo-American shareholders, and no other notice in that behalf shall be required; provided that no such holders shall be entitled to claim any dividend or bonus that may become pay-

able in respect thereof from time to time, unless and until they shall have first delivered up to the secretary of the Anglo-American Company their or his stock certificate in the Company, or shall have satisfactorily accounted to the said secretary for the non-production thereof.

Power to Atlantic Company to purchase certain portions of their stock.

6. And whereas a certain portion of the Company's stock, both ordinary and preferential, is held in certain amounts of less than one hundred pounds, and by reason thereof difficulties may arise in the exchange of such amounts for Anglo-American stock in the proportion herein-before mentioned: Therefore be it enacted, that the Company may buy, and the holders of such amounts of stock of the Company may sell, the same at and for the market price of the day; and the Company are hereby authorised to apply towards such purchase any funds which may from time to time come into their possession.

Power to trustees to accept Anglo-American stock in lieu of Atlantic stock.

7. It shall be lawful for all trustees, executors, or administrators, corporations, and married women, and for the guardians and committees respectively of any infants and lunatics who may at the time of such allotment hold or be entitled to or be interested in any stock of the Company, whether ordinary or preferential, to accept such Anglo-American stock, and to make and accept transfers of the same from time to time to the same extent as they might have done with respect to the stocks of the Company, if the stock of the Anglo-American Company had not been hereby authorised to be substituted by way of exchange for the stocks of the Company.

Anglo-American stock to vest in holders of Atlantic stock.

8. Such Anglo-American stock shall on allotment vest in every holder of stock of the Company, whether ordinary or preferential, and the several holders in whom the same shall become vested shall stand possessed thereof respectively upon the same trusts and subject to the same powers, provisions, charges, and liabilities as those upon and to which they respectively held the stock of the Company, and such Anglo-American stock shall accordingly pass or be affected by any will or other instrument disposing of or affecting the stock of the Company.

Atlantic Company's undertaking to vest in the Anglo-American Company.

9. When and so soon as such registration of the Anglo-American stock shall have been completed the entire undertaking of the Company, and all their estate, rights, powers, interests, privileges, and property of every description, as existing on the first of February one thousand eight hundred and seventy, shall, subject to the contracts, obligations, debts, and liabilities of the Company, by virtue of this Act vest in the Anglo-American Company.

A.D. 1870.

Mortgage debt of the Atlantic Company to be a debt of the Anglo-American Company.

10. On and after such transfer and vesting, the mortgage debt of the Company of one hundred thousand pounds shall be deemed to be a debt of the Anglo-American Company, and that Company may, subject to the rights of the holders of the said debt, issue so much additional Anglo-American stock as may be sufficient to raise the sum of one hundred thousand pounds, for the purpose of paying or otherwise providing for the same.

Part of 26 & 27 Vict. c. 92. incorporated.

11. Part V. of "The Railway Clauses Act, 1863," relating to amalgamation, except clauses 39 and 49, is hereby incorporated with this Act, and shall apply to the Atlantic Company and the Anglo-American Company respectively, and to the undertaking by this Act vested in the Anglo-American Company, as if the Atlantic Company were by this Act amalgamated with the Anglo-American Company, and the Anglo-American Company were the amalgamated Company, and the Atlantic Company were the dissolved Company, and this Act were the amalgamating Act, and the vesting period were the time of amalgamating.

26 & 27 Vict. c. 112. incorporated.

12. The Telegraph Act, 1863, is hereby incorporated with this Act, and shall, after the dissolution of the Company, apply to the Anglo-American Company.

Payment into court by the Atlantic Company of unclaimed dividends.

13. All dividends which have become payable on the stock of the Company, and which remain unpaid to the persons entitled thereto, shall, prior to the dissolution of the Company, be paid by them into the Court of Chancery, under any Act for the time being in force for the relief of trustees, and every such payment into court shall effectually discharge the Company from all further liability with respect to the net moneys so paid, and for the purposes of this Act shall be deemed to be a payment thereof to the person entitled thereto, and any person afterwards proving to the satisfaction of the Court that he is entitled thereto may obtain payment thereof out of court accordingly.

Dissolution of the Atlantic Company.

14. When all the provisions of this Act shall have been complied with, the Company shall be and are hereby dissolved.

Expenses of Act.

15. All costs, charges, and expenses of and incident to the preparing, obtaining, and passing of this Act, or otherwise in relation thereto, shall be paid by the Company.

LONDON: Printed by George Edward Eyre and William Spottiswoode,
Printers to the Queen's most Excellent Majesty. 1870.