



Telegraph Act 1868

1868 CHAPTER 110

Sale

5 Power to Telegraph Companies to sell their Undertakings to the Postmaster General.

Any Company, with the Authority of Two Thirds of the Votes of their Shareholders present in person or by proxy at a General Meeting of the Company specially convened for the Purpose, may sell all or any Portion of their Undertaking to the Postmaster General for such Sum of Money as may be mutually agreed upon between the Postmaster General and the Company; and the Execution by any Company under their Common Seal of a Conveyance to the Postmaster General, duly stamped, of their Undertaking, shall be sufficient to vest the same in the Postmaster General for all the Estate, Right, Title, and Interest of the Company therein, with all incidental Rights, Privileges, and Easements, and the same may be used, exercised, and enjoyed by the Postmaster General in the same Manner and to the same Extent as the same respectively are, or if this Act had not been passed might be held, used, exercised, and enjoyed by any Company, and the Receipt of Two of the Directors of any Company for the Purchase Money, endorsed upon the Deed of Conveyance, shall be a sufficient Discharge for the same to the Postmaster General, who shall not be bound to see to the Distribution thereof.

6 Acts, &c. of Companies selling their Undertakings to remain in force, and the Powers thereof to be exercised by the Postmaster General.

All Acts, Charters, and Grants, and all valid Deeds and Agreements made to, from, by, or with any Company whose Undertaking shall be sold and conveyed to the Postmaster General under the Powers of this Act shall (except as far as they are by this Act expressed to be varied or repealed, or are inconsistent with the Provisions of this Act) remain in full Force, and all Matters to be done, continued, or completed, or which, but for the passing of this Act, would, might, or could be done, continued, or completed by or against the Company so selling their Undertaking, their Officers or Servants, shall or may (as the Case requires) be done, continued, or completed by or against the Postmaster General, his Officers and Servants, and those Acts, Charters,

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Grants, Deeds, and Agreements shall be construed as if the Postmaster General had been named therein instead of the Company so selling their Undertaking; and it shall be lawful for any Person to enforce any such Act, Charter, Grant, Deed, or Agreement by Action, Suit, or other legal Proceeding against the Postmaster General in the same Court, and in the same Manner, and with the same Rights and Liabilities to pay Costs and otherwise, as if this Act had not been passed.

7 Companies may require Postmaster General to purchase their Undertaking under certain Circumstances.

If the Postmaster General shall acquire any One Undertaking under the Powers of this Act he shall, upon the Request, in Writing, of any Company possessing an Undertaking established by Special Act of Parliament or Royal Charter at the Time of the passing of this Act, purchase the Undertaking of such Company, upon Terms to be settled (failing Agreement) by Arbitration, provided such Request be made within Twelve Calendar Months after the Postmaster General shall have so acquired any One Undertaking; and any Railway Company possessed of a Telegraph open to the Use of the Public on the First of *January* One thousand eight hundred and sixty-eight for transmitting Messages for Money, or possessing any beneficial Interest in such Telegraph, shall be included in this Provision, and any such Railway Company shall be entitled upon a like Request, in Writing, to require the Postmaster General to purchase the Right of such Railway Company to transmit such Messages or other beneficial Interest.

Provided always, that nothing in this Act shall enable the Postmaster General to purchase the Undertakings of the *Atlantic* Telegraph Company or of the *Anglo-American* Telegraph Company (Limited), or any Part of such Undertakings.

8 Provision as to Purchase of certain Undertakings herein named.

With respect to the Purchase of the Undertakings of the Electric and International Telegraph Company, the *British* and *Irish* Magnetic Telegraph Company, and the *United Kingdom* Electric Telegraph Company (Limited), be it enacted as follows :

- (1) Each of the Three Companies may, with the Authority of Two Thirds of the Votes of its Shareholders, present in person or by proxy at a General Meeting of the Company specially convened for the Purpose, sell and convey, and the Postmaster General shall upon demand of the Company under its Common Seal purchase, the whole Undertaking of the said Company :
- (2) The Price to be paid by the Postmaster General to each Company for its Undertaking shall be Twenty Years Purchase of the net Profits during the Year ending on the Thirtieth day of *June* One thousand eight hundred and sixty-eight from the Undertaking so conveyed , and in the Case of the *United Kingdom* Company there shall be paid in addition to the Amount aforesaid—

First, the Price paid by the Company for the Patent of "*Hughes's* Type-printing' Telegraph," such Price not to exceed Twelve thousand pounds ;

Secondly, a Sum equal to the estimated aggregate Value of the quoted Ordinary Share Capital of the Company reckoned on the highest Quotation shown in the Official Lists of the *London* Stock Exchange on any Day between the First and the Twenty-fifth Days of *June* One thousand eight hundred and sixty-eight; and Thirdly, Compensation for the Loss of the prospective Profits of the Company on the Ordinary Shares, and any Sum that may be determined upon in consideration

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of the Efforts made by the Company to establish an uniform Shilling Rate for the Conveyance of Telegraphic Messages :

- (3) If any Difference arises between the Postmaster General and any of the said Companies concerning the Amount of such net Profits as aforesaid, or in the Case of the *United Kingdom* Company as to the Price paid for "*Hughes's* Type-printing Telegraph," or as to the estimated aggregate value of the Share Capital or the Compensation for the Loss of prospective Profits, or the Sum to be paid in consideration of the Efforts of the Company to establish an uniform Shilling Rate, every such Difference shall be settled by Arbitration in the Manner prescribed by "*The Companies Clauses Consolidation Act, 1845,*" with respect to the Settlement of Disputes by Arbitration, and the Provisions of that Act with respect to Arbitration shall be deemed to be incorporated with this Act:
- (4) The Purchase Money and Compensation to be paid by the Postmaster General under the Provisions aforesaid shall be paid to the Directors of each Company, and the Receipt under the Common Seal of the Company, countersigned by the Chairman or Deputy Chairman and by the Secretary thereof, shall be a sufficient Discharge to the Postmaster General for the Amount therein specified to be received; and the Postmaster General shall not be required to see to the Application of the Sums so paid or be responsible for Misapplication thereof :
- (5) The Amounts so received by the Directors of each Company shall, together with all undivided Profits and any Monies in the Hands of or due to the Company up to the Date of Transfer, be applied by them in the first place in discharge of all the Debts of the same Company, and in Payment of any Sums that may be voted by the Shareholders for Payment for or in recognition of Special Services rendered to the Company, and after such Discharge the Residue shall be distributed among the Shareholders of that Company in such Proportion and in such Manner in all respects as the Arbitrator herein-after named shall award and determine after due Consideration of the Circumstances under which each Class of Shares was created, and after hearing such of the Parties interested as shall upon Notice of the Appointment for that Purpose advertised for Two successive Days in the *Times* Newspaper published at *London* at least Ten Days before the Day of such Hearing appear and desire to be heard. The Arbitrator before referred to shall be the Most Honourable *Robert Arthur Talbot* Marquis of *Salisbury*, or him failing, *John Hawkshaw* Esquire, or him failing, a single Arbitrator to be appointed by the Board of Trade at the Bequest of the Directors of each Company in Writing under its Common Seal; the Award of such Arbitrator shall be final and absolute, and the Directors shall distribute among the Shareholders the Residue of the said Purchase Money and Compensation in strict and absolute Conformity with such Award; and all the Costs, Charges, and Expenses of and incident to any and every such Arbitration shall be paid by the Company requiring the same:
- (6) In the Case of the *United Kingdom* Company, with regard to their *Six per Cent.* Debenture Debt, the Arbitrator shall before Distribution of the Residue among the Shareholders consider and determine whether the Holders of such Stock ought or not to receive any and what Amount beyond the naked Debt and Interest in respect of the Conditions attaching to such Stock, and he shall award accordingly:
- (7) Every Officer and Clerk of any Company, the Undertaking of which may be so purchased, who has been not less than Five Years in the Service of Telegraph Companies, and in the receipt of a yearly Salary, or who has been not less than Seven Years in the Service of Telegraph Companies, and is in receipt of remuneration at a Rate of not less than fifty Pounds a Year, shall, if he receives no Offer of an

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Appointment by the Postmaster General, in the Telegraphic Department, which shall be deemed by an Arbitrator appointed by Agreement, or, failing Agreement, appointed by the Recorder of *London* for the Time being, to be of equal Value to the Appointment held by him under any Company, receive during his Life from the Postmaster General, by way of Compensation for the Loss of his Office, from the Time at which the Government takes possession of the Company's Telegraph, an Annuity, payable half-yearly, equal, if he shall have been in the Service of Telegraph Companies Twenty Years, to Two Thirds of the annual Emolument derived by him from his Office on the Twenty-fourth Day of *June* One thousand eight hundred and sixty-eight, and with respect to any such Person who has been in such Service less than Twenty Years the said Annuity shall be diminished at the Bate of One Twentieth for every Year less than Twenty Years during which he has been in such Service; such Officers and Clerks as enter into the Service of the Postmaster General shall be entitled to count their past Years of continuous Service with the Telegraph Companies as Years passed in the Civil Service of the Crown, and all such Officers and Clerks upon their Appointment be deemed to be, to all Intents and Purposes, Officers and Clerks in the permanent Civil Service of the Crown, and shall be entitled to the same but no other Privileges.

9 Postmaster General to enter into Contracts with certain Railway Companies.

Whereas the Railway Companies in the United Kingdom are for the most part either themselves Owners of Telegraphs which are used for the Conveyance of public Messages, and which are also essential for the safe Conduct of the Traffic on their respective Undertakings, or they have Contracts for various Terms of Years with Telegraph Companies, whose Telegraphic Apparatus is placed in the Stations and along the Railways and Canals of the Railway Companies, by which Contracts Provision is made with respect to the Matters aforesaid : And whereas with certain Railway Companies Agreements have been entered into by the Postmaster General (subject to the Approbation of Parliament), which Agreements are referred to in Schedules to this Act, and it is expedient that with respect to certain other Railway Companies, namely, the *London and North-western*, the *Midland*, the *Lancashire and Yorkshire*, the *Great Northern*, the *Manchester, Sheffield, and Lincolnshire*, the *North Staffordshire*, the *Great Eastern*, the *London, Brighton, and South Coast*, the *Metropolitan*, the *Metropolitan District*, the *Metropolitan and St. John's Wood*, the *Highland*, the *Sutherland*, the *Leven and East of Fife*, the *Glasgow and South-western*, and the *Great North of Scotland*, the Provisions herein-after contained be made as to the Undertakings belonging separately to the said Companies or held by them jointly with any other Company, or held by them respectively on Lease : Be it therefore enacted as follows :—

- (1) The Postmaster General shall give to each Railway Company Three Months Notice before he acquires the Undertakings of any of the Telegraph Companies with which the Railway Company has Agreements ; and on the Expiration of such Notice such Agreements shall cease and determine :
- (2) On such Acquisition as aforesaid all the Posts, Wires, Instruments, and other Telegraphic Apparatus belonging to the Railway Company, and also all Posts, Wires, Instruments, and other Telegraphic Apparatus belonging to the Telegraph Companies on the Railway Company's Lines and Canals which are necessary for establishing a complete System of Telegraphy in connexion with the working of Trains and the Traffic of the Lines and Canals, shall become the absolute Property of the Railway Company, and shall be handed over to them by the Postmaster General free of Charge in efficient working Order, so that the Railway Company may be in a Position at

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once to take up and carry on their own Telegraph Work on their own System, and thereafter the said Posts, Wires, Instruments, and other Telegraphic Apparatus shall be maintained and worked by the Railway Company :

- (3) On such Acquisition as aforesaid the Postmaster General shall be entitled to use from Telegraph Stations not on the Lines of Railway all the Wires belonging to the respective Telegraph Companies on the Line, and employed exclusively in the Transmission of the public Telegraph Business, which are erected on the Poles to be handed over to the Railway Company under Paragraph (2); and he, at his Cost, shall also be entitled to call upon the Railway Company to erect and maintain additional Wires on the said Poles, provided they are sufficiently strong and high for the Purpose; and also to erect new Poles at Places to be agreed upon with Wires over any of the Lines and Canals of the Company, but so that such new Poles shall not interfere in any way with the Convenience or working of the Railway or Canals of the Company, or obstruct the working of the Traffic thereon. The Railway Company shall maintain all the Posts and Wires used for public Messages, the Postmaster General paying for the same as may be agreed or settled by Arbitration :
- (4) The Postmaster General may require the Railway Company to affix Wires to existing Posts (if they can bear them), and the Company may have a like Power to affix Wires to the Posts belonging from Time to Time to the Postmaster General, if sufficient for the Purpose, and the Cost of Maintenance of such Posts shall be divided between the Postmaster General and the Company, in Proportion to the Number of Wires belonging to each on each Post:
- (5) The Railway Company may shift the Poles, Wires, and Apparatus belonging to the Postmaster General when necessary for the Purposes of their Works or Traffic; but in all such Cases the Postmaster General shall pay to the Railway Company the actual Costs incurred in shifting such Poles and Apparatus, but if such Poles support the Wires of the Railway Company and of the Postmaster General, the Cost of shifting the same shall be apportioned according to the Number of Wires belonging to or respectively used by the Railway Company and the Postmaster General.
- (6) The Postmaster General shall pay the Railway Company the following Sums by way of Compensation :
 - a. Twenty Years Purchase of the Amount of the net annual Receipts (if any) of public Telegraph Messages received and forwarded by the Railway Company on their own Account, reckoned on the Basis of the Receipts derived therefrom over a continuous Period of Twelve Months prior to the Thirtieth "Day of *June* One thousand eight hundred and sixty-eight :
 - b. Twenty Times the Amount of the estimated annual Increase, calculated upon the average Increase of the preceding Three Years of the said Receipts from Telegraphic Messages, or where the Business has been commenced within Three Years calculated upon the Increase during such shorter Period, such annual Amount in case of Difference to be settled by Arbitration:
 - c. All Rents and annual or other Payments payable to the Railway Company by public Telegraph Companies during the still unexpired Periods embraced in their respective Agreements, and at the Terms, mentioned in said Agreements respectively :
 - d. Such Sums as shall be agreed upon, or in default of Agreement as shall be settled by Arbitration, in respect of the Loss by the Railway Company of the Privilege of granting other Wayleaves and making-future Arrangements with Telegraph or other Companies, and in respect of granting a Monopoly to the Postmaster

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General for the Conveyance of Telegraphs over their railways as herein provided for:

- e. Such Sums as shall be agreed upon, or in default of Agreement as shall be settled by Arbitration, as the Value of the Railway Company's reversionary Interest (if any) in the Telegraph Receipts from public Messages on the Expiration of the Agreements with the respective Telegraph Companies :
- f. Such Sums as shall be agreed upon, or in default of Agreement as shall be settled by Arbitration, for the Loss occasioned by Removal of any Clerks now provided by the Telegraph Company, and for any extra Cost which the Railway Company may incur in working their Telegraph for Railway Purposes as a separate System :
- g. The Postmaster General shall transmit to their respective Destinations all Messages of the Railway Company in any way relating to the Business of the Company to and from any " Foreign Stations " in the United Kingdom free of Charge :
- h. On such Acquisition as aforesaid the Postmaster General shall, as herein provided, have a perpetual Right of Way for his Poles and Wires over the whole of the Railway Company's System, and in consideration thereof he shall pay to the Railway Company such Sum *per Mile per Wire* over the whole of the said System, by way of yearly Rent, as shall be determined by Agreement between the Parties, or failing Agreement, as shall be fixed by Arbitration :

The Arbitrator, in determining the Amounts to be paid to the Railway Company under this Act, shall have regard to the Agreements which subsist between the Railway Company and any Telegraph Company, and also to a compulsory Sale being required from the Railway Company; and in estimating the Amount to be paid under any One Part of this Section shall have regard to the Advantages to be obtained and the Disadvantages to be sustained by the Railway Company under any other Part of this Section :

- (7) The Railway Company shall, if required by the Postmaster General so to do, from Time to Time, at such Times and under such Regulations as shall be agreed upon, receive Messages for Transmission by the public or private Telegraph Wires (but if the latter, the Railway Messages to have Priority), and shall at the Postmaster General's sole Risk and Expense transmit the same either to their Place of Destination, if upon the Company's Lines, or to some convenient Post Office as shall be arranged, and in respect of such Receipt and Transmission the Company shall act as Agents of the Postmaster General, and shall receive in respect thereof such Remuneration as shall be agreed upon, or in case of Difference as shall be from Time to Time settled by Arbitration. The Postmaster General to provide the necessary Instruments at the Railway Company's Stations for the public Wires, such Instruments to be maintained by the Railway Company at the Expense of the Postmaster General:
- (8) The Railway Company may, notwithstanding anything in this Act contained, and without Payment to the Postmaster General, from Time to Time make Arrangements with Coalmasters, Ironmasters, and Traders generally upon the Company's System for the Erection and working of private Telegraphs between Coalpits, Ironworks, Factories, Warehouses, and Offices in connexion with the Stations of the Company, or over their Line; but such Telegraphs shall be used for the Transaction of private Business only, and no Money Payment - shall be made or received in respect thereof except by way of annual Bent or Payment for Wayleave and other Accommodation :
- (9) Except as aforesaid, the Railway Company shall not transmit or permit the Transmission of any Telegraphic Message through their Wires :

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- (10) All Matters of Difference between the Postmaster General and Railway Companies arising under this Act shall be settled by Arbitration, in conformity with the Enactments of " The Railway Companies Arbitration Act, 1859," with respect to the Settlement of Disputes by Arbitration: and the Provisions of that Act with respect to Arbitration shall for these Purposes be incorporated with this Act:
- (11) Notwithstanding anything specified in this Act or in any Agreement by this Act confirmed, the Umpire to be appointed in any Arbitration between the Postmaster General and any Railway Company shall, in default of Appointment by the Arbitrators, be nominated by the Chief Justice of Her Majesty's Court of Common Pleas at *Westminster* for the Time being.

10 Application of Sums received by Reuter's Telegraph Company by virtue of Agreement with Postmaster General.

The Sums to be received by the Directors of *Reuter's* Telegram Company (Limited) by virtue of the Agreement between the Postmaster General and the Company shall be applied in the first instance in the Payment of the Debts and Liabilities of the Company (if any) other than their current Debts, then in Payment of any Sums which may be voted by a General Meeting of the Shareholders in recognition of the Services conferred upon the Company by any Individuals attached thereto, or which may with the Authority of a General Meeting be deducted and retained for the Purposes of the general Business of the Company, and the Residue shall be distributed by the Directors among the Shareholders according to their several Interests in the Company.