

(No. 23.)



1868.

T A S M A N I A.

LEGISLATIVE COUNCIL.

SUBMARINE CABLE.

CONTRACT WITH TELEGRAPH CONSTRUCTION AND
MAINTENANCE COMPANY.

Laid upon the Table by Sir R. Dry, and ordered by the Council to be printed,
July 28, 1868.



Articles of Agreement made this Twenty-fourth day of January One thousand eight hundred and sixty-eight between the Government of Tasmania, hereinafter called "The Government," by George Gilmore, of Hobart Town, in Tasmania, (acting under the authority of the Resolution of the Parliament of Tasmania hereinafter recited, and instructions from the Chief Secretary of the said Government) of the one part, and the Telegraph Construction and Maintenance Company, Limited, hereinafter called "The Company," of the other part. **Whereas** by a Resolution of the Parliament of Tasmania passed on or about the Seventh day of September One thousand eight hundred and sixty-six it was resolved, that, for the purpose of promoting the establishing of Telegraphic Communication between Tasmania and the Continent of Australia, it was considered desirable that the Government of Tasmania should be authorised to guarantee to any persons willing to construct and lay a Submarine Cable across Bass's Straits an annual rate of not more than Six per cent. on the cost of such Works: **And whereas** the Government have proposed to the said Company to undertake, and the said Company have agreed to undertake, the laying down of a Submarine Electric Telegraph Cable between Tasmania and the Continent of Australia upon the terms and conditions hereinafter contained: Now, for the considerations herein appearing, it is hereby mutually covenanted and agreed between the Government on the one hand, and the Company their successors and assigns on the other hand, as follows:—

ARTICLE 1.—The Company will manufacture and within fifteen months from the date hereof lay down an Electric Telegraph Cable for establishing Telegraphic Communication between the terminate of the land Telegraph Lines in Tasmania at the Low Heads, at the entrance of the River Tamar, and the terminate of the land Telegraph Lines at or near to Cape Schank on the north side of Bass's Straits in the Colony of Victoria.

ARTICLE 2.—The Cable shall be constructed of good and suitable materials in all respects, and shall be efficiently adapted for the purposes of such communication, and shall be equal to specimens in duplicate marked by the said George Gilmore and Captain Sherard Osborn, Managing Director of the Company.

ARTICLE 3.—The Government hereby guarantee and agree to pay to the Company, their successors, nominees, and assigns, interest at the rate of Six per cent. per annum on the sum of Seventy thousand Pounds, which sum is hereby agreed upon as the amount of the expenditure of the Company for establishing such communication and for all purposes of this Contract is the cost of the Line; such guaranteed interest to be from time to time paid to the Company, their successors, nominees, and assigns, quarterly upon the adjustment of the Accounts as mentioned in Article 7 hereof, the first payment to be made at the expiration of Three months after the Telegraph has been laid and the communication established.

ARTICLE 4.—The Guarantee of the Government shall continue and remain in force while the communication remains in good working order and uninterrupted; and in the event of a cessation of communication for a period of Thirty consecutive days, the said Guarantee shall be suspended until the Line has again been placed in working order (without prejudice, however, to the payment of any moneys due on the Guarantee up to the stoppage), but should an interruption in such communication extend beyond Twelve months the responsibility of the said Government in respect of the said Guarantee shall cease and determine: Provided that if any interruption to such communication shall arise from destruction or injury of the Cable by reason of War, Rebellion, or any such like cause the Guarantee shall continue, but the Company, their successors or assigns, shall in such event be bound, at the request and cost of the Government, to restore such communication.

ARTICLE 5.—If the net profits arising in any one year from the said Line of Telegraph, after payment of all expenses of and incidental to the working and maintenance thereof, together with any amount paid by the said Government in respect of their Guarantee, shall exceed in that year Seven thousand Pounds, being Ten per cent. on the said sum of Seventy thousand Pounds, the Company shall, to the extent of any moneys paid by the Government in and in respect of that year

upon their said Guarantee, refund to the Government any such excess over Seven thousand Pounds; but in no event shall the Company be required to pay or refund to the Government more than the amount which the Government shall have so paid in such year.

ARTICLE 6.—The Company, their successors and assigns, shall have the exclusive right of Submarine Telegraph communication between the Colony of Victoria and the Colony of Tasmania for a period of Twenty years, to commence from the time when the Company first open telegraphic communication between the said Colonies; and such right shall continue in force subject only to determination in case the responsibility of the Government in respect of the said Guarantee shall cease and determine under the provisions of Article 4, and in that event the exclusive right of Submarine Telegraphic communication hereby granted shall cease and determine with that responsibility.

ARTICLE 7.—All accounts between the Government and the Company, their successors and assigns, shall be adjusted and the balance paid over quarterly. The Government to have the right to inspect the books of the Company to verify the accounts.

ARTICLE 8.—The Government shall on the ground of public service be entitled to priority in sending Government messages required by the Ministry or a Government Official authorised by them, and shall also be entitled to obtain and have the exclusive use of the said Submarine Telegraph upon giving reasonable notice to the Company, their successors or assigns, and upon payment to them of an amount equivalent to the cost of the Line and the value of the profits thereof including the Government Guarantee, the same to be determined in case of difference by the arbitration of disinterested persons.

ARTICLE 9.—The Government will give to the Company, their successors and assigns, all reasonable facilities in carrying out the works hereby agreed upon and in working the traffic.

ARTICLE 10.—The Government will notify to the Company by the first Mail leaving Tasmania after receipt of this Contract that the same has been duly received at the Government Office there.

ARTICLE 11.—The Company shall forthwith begin to manufacture the Cable, and if they fail to perform their obligations under this Contract in respect to the making and laying of the said Cable they shall pay to the Government the sum of Two thousand Pounds; but no penalty shall be payable if the failure arise from any act or default of the Government or of the Government of the Colony of Victoria, or if after shipping the Cable the Company fail to lay the same from any accident or other cause beyond their control.

In witness whereof the said George Gilmore hath hereunto set his hand and seal, and the Company have caused their common seal to be affixed, the day and year first above written.

GEORGE GILMORE.

Signed, sealed, and delivered by the above-named
George Gilmore in the presence of

C. E. HINDRY,
40, *Old Broad-street, E. C.*,
January 24, 1868.

SHERARD OSBORNE, *Director.*
W. SHUTER, *Secretary.*