

# BRITISH COMMONWEALTH TELECOMMUNICATIONS SYSTEM

## EARLY HISTORY

1. The present organization of the external telecommunications services of the British Commonwealth dates from 1928, when the position created by the competition between the beam wireless telegraph services and the submarine cable telegraph services came under review by the Imperial Wireless and Cable Conference, 1928. A summary of the report of this Conference was published in August, 1928, as a parliamentary paper (F.—6.). The recommendations of the Conference were approved by the Governments of the Commonwealth, and as a result two companies were formed—one, now known as Cable and Wireless (Holding), Ltd., a merger company owning practically all the shares of the old cable companies and the Marconi's Wireless Telegraph Company, Ltd.; the other, now known as Cable and Wireless, Ltd., an operating company with a capital of 30,000,000 shares of £1 each holding all the communication assets of the above-mentioned wireless and cable companies, certain cables previously owned by the Governments of the Commonwealth, and a lease of the beam wireless stations in the United Kingdom then owned by the United Kingdom Post Office.

2. The organization was framed on semi public-utility lines. The 1928 Conference considered that, as the undertaking was one which closely concerned the several parts of the Commonwealth, the Governments, as the trustees for the public, should have a voice in the direction of policy, and that, as a corollary to handing over to private enterprise the conduct of public services, there should be an effective method for ensuring that the users of the service should not be exploited for the benefit of the shareholders in the private undertaking, while at the same time providing an incentive to the undertaking to improve and develop its services. The arrangements accordingly included the following provisions:—

(i) Two of the directors of Cable and Wireless, Ltd. (the operating company), one being the Chairman, were to be approved by the United Kingdom Government.

(ii) Cable and Wireless, Ltd. (the operating company), were required to consult, in regard to questions of policy as distinct from ordinary business and management, the Imperial Communications Advisory Committee (now the Commonwealth Communications Council), a body comprising representatives of the United Kingdom, the Dominions, India, and the Colonies. The Committee were given certain regulatory powers as to proposed increases in telegraph rates.