

(iii) Any net revenue earned by Cable and Wireless, Ltd., in excess of £1,865,000 a year (referred to as the standard revenue) was to be allocated as to 50 per cent. to the company for its own purposes, and 50 per cent. to reduction of rates or such other purposes as the Advisory Committee might approve.

3. Cable and Wireless, Ltd., did not, however, under the arrangements agreed in 1928, acquire the whole of the telecommunications undertakings in the British Commonwealth. At that time there existed wireless telegraph companies (associated with Marconi's Wireless Telegraph Company, Ltd.) in Canada, Australia, South Africa, and India, these organizations operating, *inter alia*, the distant ends of the beam wireless services. When Cable and Wireless, Ltd., was formed these companies remained in being, and the terms of reference of the Imperial Communications Advisory Committee did not cover them; certain telegraph services with Europe and the external telephone services of the United Kingdom were, moreover, reserved to the United Kingdom Post Office. The 1928 Conference recommended, however, that the Governments of the Commonwealth should take steps to apply the principles of the general scheme, with such modifications in points of detail as might be necessary to meet local conditions, to the overseas telegraph undertakings operating within their jurisdiction. As a result of negotiations since 1928 between Cable and Wireless, Ltd., and the communications companies in the Dominions and India, the arrangements to-day are as follows:—

CANADA

Cable and Wireless, Ltd., operate the overseas cable services, the overseas wireless services being operated by the Canadian Marconi Company, over 50 per cent. of the shares of which are held by Cable and Wireless, Ltd. A Joint Purse arrangement is in operation between the two companies.

AUSTRALIA

Cable and Wireless, Ltd., operate the overseas cable services, the overseas wireless services being operated by Amalgamated Wireless (Australasia), Ltd., some 18 per cent. of the shares of which are held by Cable and Wireless, Ltd., and 51 per cent. by the Commonwealth Government. A Joint Purse arrangement is in operation between the two companies.

NEW ZEALAND

Cable and Wireless, Ltd., operate the overseas cable services, the overseas wireless services being operated by the New Zealand Post and Telegraph Department.

SOUTH AFRICA

Both the overseas wireless and cable services are operated by Cable and Wireless of South Africa, Ltd. This is the result of an agreement to amalgamate the wireless and cable services as from 1 October, 1930. Over 80 per cent. of the share capital of the South African company is held by Cable and Wireless, Ltd. The South African company makes an annual payment to Cable and Wireless, Ltd., for the use of its world-wide communications system, this payment being variable up or down in accordance with the gross receipts from traffic originating in South Africa.