

SIR,—

General Post Office, London, 5th March, 1912.

I am directed to inform you that the Postmaster-General has now received the authority of the Lords Commissioners of His Majesty's Treasury to accept the tender enclosed with your letter (I) of the 13th ultimo, for the erection of the wireless-telegraph stations of the Imperial chain, subject to the modifications indicated below:—

*Clause I.*—It is to be understood that a station may be erected in Egypt instead of Cyprus, at the discretion of the Postmaster-General.

The inclusion of the Indian and South African stations is dependent on the formal approval of the respective Governments, and the inclusion of the South African station is also dependent on a guarantee by the company that satisfactory communication will be established between that station and Aden.

*Clause III.*—The Postmaster-General cannot agree to bind His Majesty's Government not to employ any other contractor than the Marconi Company for the erection of any stations which may be required in the future in connection with the Imperial chain of stations. He is willing, however, at once and specifically to include the Singapore Station in the agreement, and, if the Australian Government agrees, the station in Australia also.

*Condition 3.*—It is to be understood that the choice of duplex working or simplex automatic working will rest with the Postmaster-General, and that the conditions as to duplex working and automatic working are concurrent and not alternative. It is proposed to make this clear in the relative clause in the agreement.

*Condition 6.*—The Postmaster-General thinks that the period of twenty-eight years should run from the signature of the agreement, and not from the date of completion of the first five stations, and he will be glad to learn that you agree to the modification of the tender in this respect.

*Condition 10.*—The Lords Commissioners of the Treasury consider that provision should be made for a reduction of the royalty if at any time the Marconi patents are used only to a small extent at the stations. The Postmaster-General suggests, for your concurrence, the following addition to the clause: "and if at any time he should find it advantageous to use the apparatus of the company in part only, he shall be entitled to refer to arbitration the question whether, and to what extent, the payment of royalty to the company shall be reduced." He will be glad to learn that you agree to this alteration.

It will be necessary to make provision that the Postmaster-General's rights under the agreement, and in particular under conditions 7 and 8, shall not be affected if the company should be absorbed by or amalgamated with some other company.

As you are already aware, it will also be a necessary condition that the agreement will not become binding until it has been approved by resolution of the House of Commons.

On learning that these modifications are agreed to, the Postmaster-General will at once proceed with the preparation of the formal agreement contemplated by the tender.

I have, &c.,

A. F. KING.

Godfrey C. Isaacs, Esq., of Marconi's Wireless Telegraph Company (Limited).

Marconi's Wireless Telegraph Company (Limited),

SIR,— Watergate House, York Buildings, Adelphi, London W.C., 7th March, 1912.

I am in receipt of your communication of the 5th instant, informing me that the Postmaster-General has received the authority of the Lords Commissioners of His Majesty's Treasury to accept the tender enclosed in my letter (I) of the 30th ultimo for the erection of the wireless-telegraph stations of the Imperial chain, subject to certain modifications.

I regret not to have been able to accept these modifications in their entirety, and now confirm the alterations in these modifications which have resulted from our several subsequent interviews, as follows:—

*Clause I.*—It is understood that a station may be erected in Egypt instead of Cyprus, at the discretion of the Postmaster-General, and that the inclusion of the Indian and South African stations is dependent upon the formal approval of the respective Governments. The company, however, does not guarantee that the stations of Aden and in the Union of South Africa shall provide an efficient service without the erection of a third and intermediate station. The company is of opinion that it will be able to erect stations capable of conducting such an efficient direct service, but it may be necessary to increase the power employed at each of the two stations, in which case it is agreed that the extra cost thereof shall be added to the price of £60,000.

*Clause III* of the tender to read as follows: "A formal agreement, hereinafter called 'the said agreement,' shall be prepared in draft to embody the above undertakings and the annexed conditions, which agreement shall provide that all and any other long-distance station which the Government of the United Kingdom and the Governments of all the dominions and colonies represented herein by the Postmaster-General may require within five years from the date of the agreement shall be constructed by the company upon the same terms as those herein specified, together with any further conditions which may be found necessary or desirable; and after the approval of this draft by the Postmaster-General and the company the said agreement shall be prepared in accordance with it, and shall be executed by the Postmaster-General and the company.

*Note.*—*Condition 3*: It is understood that the automatic working must be subject to weather-conditions.

*Condition 6* shall read: "The said agreement shall extend for a period of twenty-eight years from the date of the commencement of the service of the first three stations," &c.