



Treaty Series No. 37 (1950)

Final Act and Agreement for the revision
of the Telecommunications Agreement
signed at Bermuda on
4th December, 1945

London, 12th August, 1949

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of His Majesty*

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Cmd. 7994

**FINAL ACT OF A MEETING BETWEEN REPRESENTATIVES OF
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND OF THE BRITISH COMMONWEALTH GOVERNMENTS
TO REVISE THE TELECOMMUNICATIONS AGREEMENT
SIGNED IN BERMUDA ON 4th DECEMBER, 1945.**

Upon the invitation of the Government of the United Kingdom of Great Britain and Northern Ireland, issued on 3rd August, 1949, delegations representing the Governments of the United States of America, Canada, Australia, New Zealand, Union of South Africa, India, Pakistan, Ceylon and Southern Rhodesia met in London from 8th to 12th August, 1949, to revise the Telecommunications Agreement between the Government of the United States of America and British Commonwealth Governments signed in Bermuda on 4th December, 1945⁽¹⁾.

The delegations decided to recommend to their Governments various alterations in the said Telecommunications Agreement of 1945. These alterations are embodied in the text of an Agreement annexed to this Final Act. They recommend that this revised Agreement be accepted and brought into force by the respective Governments not later than 1st December, 1949.

The Final Act and the text annexed shall be deposited with the Government of the United Kingdom of Great Britain and Northern Ireland which will send certified copies to each of the Governments represented at the Meeting.

IN WITNESS WHEREOF, for the purpose of authenticating the said text, this Final Act has been signed below on behalf of the said delegations.

Done in London this 12th Day of August, one thousand nine hundred and forty-nine, in a single copy in the English language.

WAYNE COY

T. H. E. NESBITT

On behalf of the delegation of
the United States of America.

HUGH TOWNSHEND

H. W. A. FREESE-PENNEFATHER

On behalf of the delegation of
the United Kingdom.

W. E. CONNELLY

On behalf of the delegation of
Canada.

F. R. BRADLEY

On behalf of the delegation of
Australia.

H. W. CURTIS

On behalf of the delegation of
New Zealand.

⁽¹⁾ "Treaty Series No. 17 (1946)," Cmd. 6837.

W. A. BORLAND

On behalf of the delegation of
the Union of South Africa.

M. A. J. VASNAIK

On behalf of the delegation of
India.

M. M. HUSAIN

On behalf of the delegation of
Pakistan.

A. IGNATIUS PERERA

On behalf of the delegation of
Ceylon.

J. NULTY

On behalf of the delegation of
Southern Rhodesia.

J. C. W. REITH,

Chairman of the Meeting.

W. W. SHAW-ZAMBRA,

Secretary of the Meeting.

*Institution of Civil Engineers,
Great George Street,
London, S.W. 1.*

12th August, 1949.

**AGREEMENT BY THE GOVERNMENTS REPRESENTED AT THE
UNITED STATES-COMMONWEALTH TELECOMMUNICATIONS
MEETING, LONDON, 1949**

The Delegations of the Governments of—
the United States of America,
the United Kingdom of Great Britain and Northern Ireland,
Canada,
Australia,
New Zealand,
Union of South Africa,
India,
Pakistan,
Ceylon and
Southern Rhodesia,

assembled in Conference in London from 8th August to 12th August, 1949,
have reached agreement as follows:—

Article I.—Radiotelegraph Circuits

Section 1.—Existing direct radiotelegraph circuits

(i) United Kingdom: The circuits between the United States and the United Kingdom shall be retained, subject to examination as to the number required and to consultation between the two Governments before any of these circuits is discontinued.

(ii) Australia, New Zealand, Union of South Africa, India, Pakistan and Jamaica: One circuit shall be retained between the United States and each of these countries.

(iii) Bermuda: Both circuits between the United States and Bermuda may be retained, subject to the agreement of the Government of Bermuda.

Section 2.—General conditions governing the retention of existing and establishment of new or additional radiotelegraph circuits

(i) The desirability of retaining existing or of establishing any new or additional direct radiotelegraph circuits between two countries is a matter involving a judgment on its merits by the Governments of both the countries concerned. It is essential that conditions, particularly economic conditions and the requirements of the users, at both ends of a proposed circuit, should be fully considered in each case.

(ii) The governing conditions for the retention of existing or for the establishment of new or additional direct radiotelegraph circuits are those of traffic and service, with the expeditious disposal of traffic as the main objective.

(iii) The existence of both radio and cables is essential in the general interest of world telecommunications as a whole. Provision of direct radiotelegraph circuits should therefore have regard to existing channels of communication.

(iv) It is recognised that in certain cases a direct radiotelegraph circuit may be deemed necessary for political reasons.

Section 3.—Definition of a direct radiotelegraph circuit

A direct radiotelegraph circuit is a circuit by means of which communication from the transmitting terminal to the receiving terminal is effected without the intervention of manual rehandling between the two terminals. A direct radiotelegraph circuit may be established from the transmitting to the receiving terminal either without the use of intermediate relay stations or by means of one or more intermediate electrical relay stations. A direct radiotelegraph circuit may be established by means of reperforation and retransmission at one or more intermediate relay stations, under the condition that the reperforated tape passes directly and immediately from the reperforator into the retransmitter.

Section 4.—Exclusive arrangements

The parties to this Agreement shall neither support nor approve efforts by telecommunication companies subject to their respective jurisdictions to prevent or obstruct the establishment of direct radiotelegraph circuits between the United States or British Commonwealth points and other countries, and will take such steps as may be appropriate to discourage any such efforts.

Section 5.—Transit traffic

The traffic normally handled over direct radiotelegraph circuits shall be restricted to traffic originating in and destined for the countries between which the circuits are operated, including the territories and possessions of these countries. This does not preclude the use of such circuits as "voies de secours" in emergency. Transit traffic may be handled over direct radiotelegraph circuits in any case where it is agreed that it would otherwise be subject to excessive delay.

Article II.—Telegraph Rates

Section 6.—Ceiling rates

(i) The ceiling rate between the United States and each of the countries of the British Commonwealth shall be 40 cents or 2s. per ordinary full rate word.

(ii) The ceiling rate between the United States and each of the countries of the British Commonwealth shall be 26½ cents or 1s. 4d. per word for code (CDE) telegrams.

(iii) For categories of telegrams charged at lower rates, the existing international proportions of the ordinary rate shall be maintained.

(iv) In accordance with the decisions of the International Telegraph and Telephone Conference, Paris, 1949, there shall be unification of the ordinary full and code rates between the countries of the British Commonwealth and the United States, effective on 1st July, 1950, within a ceiling rate of 30 cents or 1s. 6d. per word, with letter telegrams within a ceiling rate of 15 cents or 9d. a word.

(v) Any party to this Agreement may, upon ninety days' notice to the other parties to this Agreement, raise to a level above the respective ceiling established by this Section any rate which is at or below that ceiling.

Section 7.—Press rates

(i) The ceiling rate for press traffic between the United States and the countries of the British Commonwealth shall be 10 cents or 6d. per ordinary word.

(ii) Any party to this Agreement may, upon ninety days' notice to the other parties to this Agreement, raise to a level above the ceiling established by this Section any rate which is at or below the ceiling.

NOTE.—The existing Press rate within the British Commonwealth of *1d.* per ordinary word may be extended to press traffic between the countries of the British Commonwealth and any other country.

Section 8.—Terminal and transit charges

(i) The terminal and transit charges for traffic to which the ceiling rates provided in Section 6 apply shall be uniform.

(ii) For the purposes of applying these charges, countries shall be classified in two categories, as follows:—

(a) Countries of extensive area, namely Canada, Australia, India, Union of South Africa, Pakistan and the Continental United States.

(b) All other countries.

(iii) For traffic to which the ceiling rates provided in Section 6 apply, the terminal and transit charges for an ordinary full rate word (before and after unification) shall be:—

(a) A terminal charge of 4 cents or $2\frac{1}{2}d.$ for countries in category (a) and $2\frac{1}{2}$ cents or $1\frac{1}{2}d.$ for countries in category (b).

(b) A transit charge of $3\frac{1}{2}$ cents or $2d.$ for countries in category (a) and $1\frac{3}{8}$ cents or $1d.$ for countries in category (b).

(iv) Terminal and transit charges for other classifications of traffic shall be proportional to the charges collected.

(v) (a) No terminal or transit charge shall exceed the charges prescribed in paragraphs (iii) and (iv) above.

(b) Existing terminal and transit charges which are applicable to traffic at rates within the ceilings provided in Section 6 shall be maintained.

(c) In the event of a rate in excess of the ceilings provided in Section 6 being applied in both directions, under the provisions of Section 6 (v), then the terminal and transit charges may be increased by special arrangements. (See Note applicable to Sections 8, 9 and 10.)

(vi) Terminal and transit charges shall be regarded as payments for services rendered. The terminal charges are payable for traffic originating in or destined for a country. The transit charges are payable for traffic carried across the territory of a country for onward transmission beyond that country. All terminal and transit charges shall be included in the ceiling rate and shall not be additional thereto.

NOTE.—Provided the charges accruing to the other international carriers are not affected, the division of the charges between an international carrier and its corresponding domestic carrier shall be of no concern to the other international carriers.

Section 9.—Division of tolls

(i) In the case of direct radiotelegraph circuits, the portion of the tolls remaining after deduction of terminal and transit charges shall be divided equally between the transmitting and receiving organisations. This provision does not apply when the collection rates are not equal in the two directions; in such cases there will be special arrangements between the countries concerned.

(ii) Changes in payments for services over indirect routes resulting from the introduction of revised rates shall be the subject of special arrangements.

(iii) The application of paragraphs (i) and (ii) of this Section to existing contracts and the specific arrangements to give effect to them shall be considered by the parties concerned.

Section 10.—Currency

Since the gold franc system of telegraph charges and accounting may be unsatisfactory in certain circumstances, the fixing of tariffs and the settlement of accounts between the United States and the countries of the British Commonwealth shall be governed by the following general principles:—

- (i) The tariffs shall be drawn up in dollars and in sterling, and the tariffs so expressed shall be approximately equivalent at \$4.03 to £1.
- (ii) In the event of an alteration in the average of the buying and selling rates for telegraphic transfer of dollars and sterling by more than 2 per cent. from \$4.03 to £1, arrangements shall be made promptly, at the request of any country, for consultation on the adjustment of tariffs, which shall be drawn up in dollars and sterling and which shall be approximately equivalent at an agreed rate of exchange.
- (iii) In any country other than the United States and the United Kingdom, the schedule of charges in local currency for messages shall at all times be the approximate equivalent of the tariffs drawn up in dollars and in sterling at the average of the buying and selling rates for telegraphic transfers of the currency in terms of dollars or sterling. Minor fluctuations in the exchange rates shall not of themselves require a modification of the schedule of charges in local currency. In fixing collection charges in its local currency, a country shall be entitled to vary the precise equivalent of the dollar-sterling tariff to the nearest convenient unit.
- (iv) The balance due as between the parties concerned shall be calculated in accordance with the tariffs drawn up in dollars and sterling. However, in the event of different collection rates in the two directions, the amounts to be entered in the accounts shall be subject to special arrangements. Settlement shall be made in the currency of the country of the creditor party on the basis of \$4.03 to £1. In the case of a request for consultation in accordance with paragraph (ii) of this Section, obligations incurred prior to the date of such request shall be settled on the basis of \$4.03 to £1. The basis of settlement of balances arising in respect of the period between the date of such request and the date when new tariffs as provided in paragraph (ii) of this Section become effective shall be a matter for agreement between the parties concerned. On and after the date when new tariffs become effective settlement shall be made on the basis of the new agreed dollar-sterling rate of exchange.
- (v) In extending to other countries the new ceiling rates provided in Sections 6 and 7 the parties to this Agreement shall seek to achieve the establishment of a tariff drawn up on a dollar-sterling basis or, failing agreement on the part of the other country to adopt that basis, of tariffs giving effect as far as practicable to the principles underlying the dollar-sterling basis.
- (vi) All references in this Article to dollars and cents, and to pounds, shillings and pence, are to United States and United Kingdom currencies respectively.

Note to Sections 8, 9 and 10

Special arrangements as to matters covered by Sections 8, 9 and 10 of this Agreement, and differing from its provisions, may be concluded at any time

between the United States and any country (or countries) of the British Commonwealth on the understanding that such country (or countries) will, before concluding any such special arrangement, consult, as necessary, as to its effect, with the other parties to the Agreement.

Article III.—Press Communications

Section 11.—Private point-to-point channels for Press

Private channels for point-to-point press traffic shall be provided where the available channels are sufficient. Charges may be based on time, words, characters, or cost, whichever may be agreed upon by the parties concerned.

NOTE.—The position of New Zealand under Section 11 is reserved.

Section 12.—Reception of multiple address press radio-communications

(i) The reception of press radio-communications addressed to multiple destinations and transmitted from the United States or the countries of the British Commonwealth shall be permitted within their respective territories in all cases where the recipients are authorised by the sender to receive such communications.

(ii) The Governments of the United States and of the United Kingdom and Canada will permit within their respective territories the private reception of such communications either through the recipients' own radio receiving installation or through other private installations. In the United Kingdom such permission may be conditional on the service not being offered to third parties except in the case of recognised news agencies.

(iii) The Governments of Australia, New Zealand, Union of South Africa, India, Pakistan, Ceylon and the United Kingdom on behalf of her colonies will arrange for the reception of such communications through the respective telegraph administrations and will retain the power to exercise their discretion as to the granting of permission to private recipients for the reception of such communications through their own installations or through other private installations.

NOTE.—The position of Southern Rhodesia under Section 12 is reserved.

Article IV.—Cables

Section 13.—Cables

(i) In order to secure the optimum development of telecommunication services, and in view of the important strategic rôle which cables as well as radio play in a co-ordinated telecommunication system, research and development work in both cable and radio communication shall be fostered and promoted. The use of improvements such as submarine repeaters and multi-channel operation shall wherever possible be encouraged.

(ii) Inasmuch as the trans-Atlantic cables form an integral part of a world telecommunication system, uniform procedures and techniques shall be adopted in their operation. The present arrangements for mutual consultation and co-operative action with respect to the trans-Atlantic cables shall be continued.

Article V.—General Provisions

Section 14.—Consultation

(i) The parties to this Agreement shall consult on all matters coming within its purview.

(ii) Any party to this Agreement shall, at the earliest practicable stage, notify the other parties to this Agreement regarding any intended change in a United States-Commonwealth rate.

(iii) It is recognised that because of the conditions which obtain in the United States as to rate matters, the United States may be obliged, in exceptional circumstances, to take action in any matter involving United States-Commonwealth collection rates prior to notification (except as provided in Sections 6 and 7) to the other parties to the Agreement, who will, as necessary, consult among themselves about the resulting position.

Section 15.—Acceptance

(i) This Agreement shall be open to acceptance by the Governments whose delegations signed the Final Act authenticating the text thereof on 12th August, 1949.

(ii) Acceptance shall be effected by deposit of an instrument with the Government of the United Kingdom of Great Britain and Northern Ireland.

(iii) By their acceptance of this Agreement, all Governments will accept it both on their own behalf and in respect of all the territories and possessions for the international relations of which they are responsible, subject to any necessary reservations.

Section 16.—Entry into force

This Agreement shall come into force as between the parties thereto upon the receipt by the United Kingdom Government of the respective notifications of their approval. The United Kingdom Government shall on receipt of such notifications inform all the other Governments concerned.

Section 17.—Abrogation of the Telecommunications Agreement of 1945

Upon the coming into force of this Agreement, the Telecommunications Agreement between the Government of the United States of America and British Commonwealth Governments signed in Bermuda on 4th December, 1945, shall be abrogated.

LIST OF ACCEPTANCES

United Kingdom	³¹ 30 Oct., 1949	New Zealand ...	21 Nov., 1949
Australia ...	28 Nov., 1949	Pakistan ...	22 Feb., 1950
Canada ...	18 Feb., 1950	Southern Rhodesia	16 Feb., 1950
India ...	24 Feb., 1950	South Africa ...	3 Feb., 1950
Ceylon ...	16 Feb., 1950	United States ...	17 19 Jan., 1950

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