



Imperial Telegraphs Act 1938

1938 CHAPTER 57

An Act to enable the Treasury and the Postmaster-General to carry out certain arrangements made by His Majesty's Government in the United Kingdom with Cable and Wireless Limited, and in connection with those arrangements to amend the law with respect to the calculation of the Post Office net surplus ; and for purposes connected with the matters aforesaid. [29th July 1938]

WHEREAS in pursuance of the recommendations of the Conference referred to in the recitals of the Imperial Telegraphs Act, 1929, certain telegraphic undertakings were transferred to a company, therein referred to as " the Communications Company " and now named " Cable and Wireless Limited ":

And whereas by a lease (hereinafter referred to as "the said lease") dated the fourth day of September nineteen hundred and twenty-nine and made between the Postmaster-General on behalf of His Majesty of the first part, Cable and Wireless Limited (by its then name of Imperial and International Communications Limited) of the second part and Cable and Wireless (Holding) Limited (by its then name of Cables and Wireless Limited) of the third part, the Postmaster-General demised to Cable and Wireless Limited certain freehold land and premises more particularly described in the said lease together with certain plant (all which freehold land and premises and plant are hereinafter referred to as " the beam wireless stations") for the term of twenty-five years from the first day of April nineteen hundred and twenty-eight at the yearly rent of two hundred and fifty thousand pounds and, in certain events, an additional rent calculated by reference to any excess of the net revenue of Cable and Wireless Limited over a standard revenue:

And whereas by an agreement (hereinafter referred to as " the circuits agreement") dated the said fourth day of September and made between the Postmaster-General and Cable and Wireless Limited (by its said then name) provision was made for the appropriation for the use of the said company of certain circuits connecting the beam wireless stations and the Central Telegraph Office, or of other circuits substituted therefor, but the said agreement was by the terms thereof in no event to continue after the said lease had ceased to be in force :

And whereas the Postmaster-General has a claim (hereinafter referred to as " the Kenya claim ") against Cable and Wireless Limited in respect of a right conceded to the said company to

Status: This is the original version (as it was originally enacted).

operate a wireless telegraph service with Kenya, the amount of which claim has not been finally determined but does not exceed thirty-five thousand pounds :

And whereas certain arrangements have been made between His Majesty's Government in the United Kingdom and Cable and Wireless Limited with a view to the maintenance of a satisfactory system of imperial communications and the reduction of certain telegraphic rates charged to the public :

And whereas the carrying out of the said arrangements involves, amongst other things,—

- (a) the sale, to take effect as from the beginning of March nineteen hundred and thirty-eight, by the Postmaster-General to the said company of his estate and interest in the beam wireless stations in reversion expectant on the determination of the said lease, and the making over to the Treasury, in consideration of the said sale as well as of other matters provided for by the said arrangements, of certain fully paid shares in the said company, together with the right to dividends declared thereon in respect of any period beginning after the said date and to a proportionate part of dividends declared thereon in respect of a period which includes the said date;
- (b) the continuation of the circuits agreement with certain alterations;
- (c) the waiver by the Postmaster-General of the Kenya claim; and
- (d) the sharing in agreed proportions by the Postmaster-General and the said company of certain sums which, under the International Telegraph Regulations, fall to be received and retained by them in respect of telegrams within the European telegraph system as defined for the purposes of those Regulations :

Now, therefore, be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1 Power of Treasury and Postmaster-General to carry out arrangements with Cable and Wireless Limited.

- (1) The Treasury may accept any fully paid shares in Cable and Wireless Limited made over to it as aforesaid, and any dividends or other sums received by the Treasury in respect of those shares (other than any part of any dividends on any shares transferred to the Treasury which the Treasury may be liable to pay to the transferors of those shares) shall be paid into the Exchequer.
- (2) The Postmaster-General may enter into an agreement with Cable and Wireless Limited whereby the circuits agreement is, with certain alterations, continued for such period as may be determined by or under the agreement for the continuation thereof.
- (3) The Postmaster-General may waive the Kenya claim.
- (4) The Postmaster-General may make an arrangement with the said company whereby—
 - (a) an account is from time to time prepared, as from such date as may be agreed, of certain sums to be specified in the arrangement, being certain of the sums which, under the International Telegraph Regulations, fall to be received and retained by the Postmaster-General and the company in respect of telegrams within the European telegraph system as defined for the purposes of those Regulations, being telegrams passing to or from or through the area consisting of the United Kingdom, the Isle of Man and the Channel Islands, and

- (b) such payments are from time to time made to the Postmaster-General by the company and by the Postmaster-General to the company as are necessary to secure that, as between the Postmaster-General and the company, the benefit of the said specified sums is shared in such proportions as may be specified by or under the arrangement.

Any payments made by the Postmaster-General to the company under this subsection shall be treated as payments which may be deducted from the gross revenue of the Post Office before that revenue is paid into the Exchequer.

- (5) In this section the expression " the International Telegraph Regulations" means the telegraph regulations for the time being in force under the International Telecommunication Convention signed at Madrid in the year nineteen hundred and thirty-two or any international convention substituted in lieu thereof.

2 Amendment as to calculation of Post Office net surplus.

For the purpose of the statement required to be made under section thirty-eight of the Finance Act, 1933 (which relates to the Post Office Fund), there shall, as from the beginning of March nineteen hundred and thirty-eight, be included in the revenue of the Post Office a sum calculated at the rate of one hundred and fifty thousand pounds per annum.

3 Short title.

This Act may be cited as the Imperial Telegraphs Act, 1938.